

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, DECEMBER 1, 1932



As Time Goes On

ON the walls of 1,061 insurance offices scattered over this country hang certificates to which their owners point with pride. Honor Certificates—issued by the U. S. F. & G. to agents who have served the company faithfully and well for twenty years or more. Two hundred and ninety-one of them have been our agents for over thirty years.

These veteran agents have witnessed many economic changes. Through wars, through panics, through catastrophes, through depressions, they have marched proudly on—secure in the present, confident of the future, because of the stability, the permanence, the strength of the U. S. F. & G.

Since 1896 the U. S. F. & G. has promptly paid out \$290,000,000 in claims and adjustment expenses. Today that prompt payment record stands as an assurance to agents and brokers that they are insuring the future of their own business when they insure clients with the U. S. F. & G. and the F. & G. Fire.

These Companies originated and broadcast the slogan, "Consult your Agent or Broker as you would your Doctor or Lawyer."



Unexcelled service on all casualty, surety, fire, automobile and inland marine lines through 11,000 Agencies and Branch offices in the United States and Canada.

United States Fidelity & Guaranty Co.

with which is affiliated

. . . Fidelity & Guaranty Fire Corporation . . .

HOME OFFICES: BALTIMORE, MD.



Which would you take . . . 1% or 100% cut in salary?

DESPITE the inconveniences and readjustments made necessary by decreases in salary or income, these difficulties are insignificant compared to a *one hundred per cent* cut caused by disabling accidental injury.

It is not difficult to point out to Accident prospects that it is much wiser to accept a voluntary *one per cent* cut and utilize this money to purchase a Travelers Accident policy. This method precludes the danger of risking a *one hundred per cent* involuntary cut that usually follows an accidental injury.

MORAL: INSURE IN THE TRAVELERS » » »

THE TRAVELERS

The Travelers Insurance Company
HARTFORD

The Travelers Indemnity Company

The Travelers Fire Insurance Company
CONNECTICUT

No Time for Losses When Building Up Income



LOSSES OF PROPERTY, calling for unexpected cash outlay for repairs or replacement disturb the financial plans of rich and poor alike. Fires and windstorms, explosions and collisions, are no respecters of persons or circumstances, and interfere with progress.

Your assets have been reduced, your wants have been tempered to suit your income. Now is no time to pay for losses. It is the time to use your resources to build your business and ride in on the wave of returning prosperity. Play safe—protect what you have by adequate insurance.

Insurance will give all kinds of property protection against all kinds of hazards. Go to an experienced agent and let him show you how completely he can cover everything you own, at a price that makes security and contentment a cheap purchase.



The advice of a seasoned agent or broker is as professional as that of a lawyer or physician—he will select for you a strong company with ample resources and a reputation for prompt and equitable settlement of claims over a long period of years.

"The White Fireman in the Home" is a little book that the Insurance Company of North America will be glad to send you, gratis. By observing the precautions it gives, you may prevent loss of life and destruction of your property. Address: Insurance Company of North America, 1600 Arch St., Philadelphia.



North America Agents are equipped to advise you on all insurance matters—and you are secure in the protection offered by their Company—one of the strongest insurance companies in America. North America Agents are listed in Classified Telephone Directories under the heading . . . INSURANCE COMPANY OF NORTH AMERICA.

Insurance Company of North America

PHILADELPHIA

and its affiliated companies write practically every form of insurance except life

North America Protection

Oldest American fire and marine insurance company—founded in 1792.

A 140-year record of prompt and equitable settlement of claims.

Losses paid since organization, \$382,119,855.

The Company has successfully weathered every conflagration in the United States, as well as all panics and business depressions.

A stock company—therefore, no possibility of assessing policyholders.

Surplus to policyholders, based on market values as of June 30, 1932, \$30,054,133—the largest of any American fire insurance company.

Capital, \$12,000,000

"Protect with insurance" is as good advice now as it was at the bottom of the depression. The North America "Protect What You Have" campaign continues in step with business conditions and is gaining momentum every month.

The above advertisement appears in The Saturday Evening Post, December 3rd; and in The Literary Digest, December 10th.

COMPLETE fire insurance
protection includes Rents,
Rental Value and Use and
Occupancy Insurance.

Are you selling it?



The AMERICA FORE GROUP of Insurance Companies

THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY FIRST AMERICAN FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE

Eighty Maiden Lane,

THE FIDELITY AND CASUALTY COMPANY

New York, N.Y.

ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President
ERNEST STURM, Chairman of the Board
WADE FETZER, Vice Chairman
BERNARD M. CULVER, President

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

The National Underwriter

Thirty-Sixth Year No. 48

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, DECEMBER 1, 1932

\$4.00 Per Year, 20 Cents a Copy

S. E. U. A. Reaffirms Mixed Agency Rule

Bolsters 1931 Action by Steps to Apply Rigid Enforcement—Revises Farm Application

SEMI-ANNUAL GATHERING

Consider Vacancy and Occupancy Permits, Agents' Balances and Fiduciary Trust Agreement

PINEHURST, N. C., Nov. 30.—Reaffirmation of the Pinehurst rule of 1931 against the further expansion of mixed agencies of stock and mutual companies, with augmented means for putting in force rigid enforcement of the regulation, and revision of the farm application rule so that it will be advisory instead of mandatory, were the outstanding features of the semi-annual meeting of the Southeastern Underwriters Association here today.

The association also gave much time to consideration of vacancy and occupancy permits, following protests of agents against the new regulations recently adopted.

No action was taken with regard to the permits as it is expected that the subject will be thoroughly considered and acted upon at conferences to be held in the future between representatives of the four regional underwriting organizations of the country.

Take Up Agents Balances

The association devoted much attention to the subject of agents' balance rules. Although there was thorough discussion, no action was taken. It is the prevailing belief, however, that some definite steps will be taken in the near future with regard to collections of agency balances.

There was detailed discussion of the suggestion of Superintendent Greer of Alabama to incorporate in contracts between companies and their local agents a fiduciary trust agreement as a means of protecting companies against unpaid balances of agents. The association took no action, referring the matter to General Counsel J. H. Doyle of the National Board, who was present at the meeting.

A new record was reported when the association was advised that there were less company violations existing than at any previous time.

Standard Forms Program Ready

The association was advised that all details have been completed for inauguration of the three standard policy forms to take the place of the existing multiplicity of forms. The new forms will be confined to fire, windstorm and fire and windstorm combined. These three standard forms will become effective Jan. 1.

The decks were cleared for action of the association by the two day sessions

East and West to Confer on Supplemental Contract

UNIFORMITY IS OBJECTIVE

Difference of Opinion Develops Over the Proposed Additional Hazards Supplemental Contract

A joint meeting of the eastern and western interests is being projected for discussion of the proposed additional hazards supplemental contract. A date has not been set for the conference, but a meeting will be held in an attempt to arrive at a uniform contract nation-wide, by ironing out differences of opinion that have developed in the sectional organizations.

The hazards proposed to be insured against under the single contract are: 1. Windstorm, cyclone, tornado and hail; 2. Riot, explosion, aircraft, self propelled vehicles and earthquakes; 3. Sprinkler leakage; 4. Smoke damage from stationary fuel oil burning apparatus.

Amendments Are Proposed

A number of amendments have been proposed. One is that additional hazards be included under a fifth item.

Some differences of opinion have developed as to reinstatement features in connection with the contract. One proposal, now under consideration, is that an automatic reinstatement clause be included, providing that after a loss is adjusted, the amount of premium necessary to reinstate the insurance under the item, for which the loss was paid, be deducted from the loss settlement check.

The contract is intended for attachment to the fire policy and will provide the option of insuring against all of the hazards enumerated under any one or more of the items. This new contract would supplant the present six point contract, which is now permitted on fire policies covering risks of the dwelling class. It is proposed for use in all states covering risks of all classes, excepting farm property.

of the executive committee which preceded the semi-annual meeting of the full association. Sessions were also held by the sprinklered risk and tornado committees. Routine matters were discussed by the Cotton Insurance Association.

Pinehurst Rule of 1931

Prior to the meeting there had been considerable speculation as to developments regarding the Pinehurst rule of 1931, which prohibits the further expansion of mixed agencies of stock and mutual companies. There had been a hint of modification and others had prophesied that the rule might be abrogated completely.

Instead the association went on record as strongly reaffirming the rule and providing plans for setting up machinery by which the regulation shall be rigidly enforced.

The meeting brought the largest attendance ever recorded for a semi-annual session. Presidents galore were in attendance and the distinguished visitors included President P. L. Haid of the Insurance Executives Association.

Guinness Issues Statement as to Salvation Army Case

MANAGER OF PEARL REPLIES

Blanket Policy Has Now Been Canceled—Charges of Irregularity Are Denied

John F. Guinness, United States manager of the Pearl Assurance, has issued a statement in reply to the published reports about the blanket policy written in the Pearl covering property of the Salvation Army in central territory. The contract has now been canceled. This policy was written through John C. Paige & Co., of Boston, general agents for the Pearl.

The statement has been published that the coverage would save the Salvation Army \$40,000 to \$50,000 a year. Mr. Guinness said that if such a statement had been made, it was not based on any facts known to him. Any estimate of savings based on future assumption of liability by the Pearl on property now insured under contracts which may not expire for the next two or three years would be premature and without basis, he said.

The charge is also printed that the blanket coverage applied in certain states, including Missouri, in which the Pearl was not licensed. Mr. Guinness states that "as originally presented to the Pearl, the majority of the liability covered Illinois and Ohio where the Pearl was properly represented by a local agent and the list of expirations supplied indicated that the Pearl would have sufficient time to gain representation in other states before the attachment of liability."

Mr. Guinness added that when the first requests for issuance of policies from the Salvation Army were received, it was noted that liability was being secured in locations where the Pearl was not yet properly equipped to give service and therefore cancellation was requested.

When the master policy was issued for one of the Pearl's local agents, according to Mr. Guinness, the master policy contained the following clause:

"This policy is issued for the convenience of the assured only and any insurance becoming effective thereunder shall be reported promptly to this company and policies issued by this company through their duly authorized agents in the states in which the property is located at rates published by duly authorized rating organizations. If property is reported in the states in which this company is not licensed, then certificate shall be issued by this company and premiums charged in accordance with the rates promulgated by the duly authorized rating organization."

Fight Wisconsin State Fund

MADISON, WIS., Nov. 30.—The Wisconsin Association of Insurance Agents will make a strong fight against the Wisconsin state fire insurance fund, it was indicated by insurance men in Madison recently to attend hearings on the Wisconsin standard fire policy conducted by Commissioner H. J. Mortensen.

I. M. U. A. Revamps Method of Rating

Gives Special Committee Latitude in Meeting Competition on Fur Business

JUNKS UNWIELDY PLAN

Requirement of Submitting Furriers' Customers Risks to Executive Committee for Action Modified

NEW YORK, Nov. 30.—Complaints from all over the country that have been received by the Inland Marine Underwriters Association under the rating plan used for about a year on the furriers' customers form, have resulted in an action by the organization to correct the situation which placed members in bad competitive position.

The committee of the I. M. U. A. which has this cover in charge has been authorized to make any changes which it considers necessary in the proposal form and rating methods without consulting the executive committee. Heretofore it has been necessary to present every proposal for deviation from the set rate to the executive committee, either calling a special meeting or holding the matter over until the executive committee met regularly.

Many Good Risks Lost

This unwieldy method resulted in members losing many good risks in competition with nonconference companies, as clients often were unwilling to wait the length of time required to get action from the executive committee. As a matter of fact, however, there are very few deviations approved by this committee.

It became obvious that it was not possible to handle the furriers' customers coverage properly without giving the special I. M. U. A. committee power to promulgate its own rate when a case demanded, without the long delays of the old method.

A provision of the authorization granted the furriers' customers committee, it is reported, is that this authority shall not be extended to include any return in event of good experience or no claim.

Method in Force a Year

It will be recalled that approximately a year ago the present cumbersome rating method was put in force to meet a situation which had developed with the discovery by many fur dealers that there was good money to be made in buying the furriers' customers master policy from companies at a certain price and selling certificates to customers at an increase. At that time the situation existed in which an insurance agent could not buy insurance covering his wife's fur coat as cheaply as she could get it from her fur dealer, even taking into account the agent's commission.

(CONTINUED ON NEXT PAGE)

Agents Association Chiefs Will Confer in New York

CONSIDER IMPORTANT ISSUES

Time and Place for Mid-Year and Annual Meetings Will Probably Be Selected

NEW YORK, Nov. 30.—A number of National Association of Insurance Agents leaders will be here next week to attend the National Convention of Insurance Commissioners sessions and to confer on matters of concern to the local men. It is highly probable that the time and place for the mid-year meeting and also the annual meeting place will be decided. While invitations for the mid-year meeting have been extended by Augusta, Ga., and Jacksonville, Fla., a more central location is usually selected. Last year Cleveland was chosen, the gathering being attended by some 500 members. Chicago will probably get the annual convention. As the World's Fair will be under way in that city in 1933, a special drive is being put forth by the municipal authorities and the associated business organizations to have as many conventions held in Chicago next year as possible. The organization of the National association was effected in Chicago in 1896, and the annual convention of the body was held there in 1910.

Consider Contract Bonds

At the headquarters of the agents in the Hotel Pennsylvania here Dec. 5, such subjects as government contract bonds and the trend of companies to reduce commissions on various classes of surety and casualty business will be considered. Later in the day formal conferences upon both questions will be had with company officials. On the following day committees of the agents' organization and of the National Association of Casualty & Surety Agents will discuss with the executive committee of the Surety Association of America the matter of writing bonds covering government contracts.

Still other questions to be reviewed will be those of producing branch offices and commissions upon inland marine lines. In the former connection the result of the survey which has been under way for some weeks past will be revealed.

Underwriters Laboratories Alters Setup in Two States

The Underwriters Laboratories has discontinued the system of being represented in Ohio and Indiana by the inspection bureaus of those states. Salaried representatives are now located in Ohio and Indiana for the laboratories. The new plan was decided upon because of the fact that various plants of the laboratories in Ohio and Indiana are not so located as to be in convenient reach of the offices of the inspection bureaus.

I. M. U. A. Revamps Method of Rating

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The change in method called for a \$1 minimum premium on certificates with a rate of 50 cents per \$100. The rating method was detailed, the kind of vault in which furs were stored being considered, also protective measures and the fire insurance rate.

It is not known just what credit will be allowed by the furriers' customers committee to rectify the situation.

Objections to the Cancellation Clause Are Cited by H. G. Casper

Harry G. Casper, associate manager for the Lincoln Fire and Eagle, Star & British Dominions, has given much study to the automatic cancellation clause proposal and has taken a stand against it. In commenting on the question, he says:

"It is pleasing that the demand for the inclusion of an automatic cancellation clause in the fire insurance policy is not making any great amount of headway, and, apparently, does not have the approval of those successful and competent agents who prefer to function as such, rather than have their obligations discharged by an automaton.

"There has been nothing convincing in the arguments in favor of the proposal, and, in fact, when analyzed, most of those so far put forth provide good reasons against the move.

"At the very outset, such a provision in the policy will ultimately increase, rather than diminish, the free insurance evil, for in practice it will work out somewhat as did the official adoption of the 45 day balance rule. That rule did accomplish something, but also did we lose much because of it. The psychological reaction of a large part of the public to the automatic cancellation clause will be that the policy was delivered on trial.

Machine Not Needed

"Our business does not need a machine to do that which our agents can do so much more successfully with the same effort. Under the proposed change, an agent must advise each assured, when delivering the policy, that it will be null and void if the premium is not paid within 30 days after its attachment date. How much easier it would be to state to that assured that if the premium could not be paid within 30 days the policy would have to be picked up for cancellation. The necessary call for that purpose would provide an excellent opportunity to save the business.

"If the proposal should be adopted, a serious situation would be created in company and general agency offices because of the outstanding liability on which reinsurance cannot safely be cancelled or credit given because of the lack of the cancelled document or a proper voucher, and, surely, there would be no reason for an agent or broker to

concern himself particularly with that problem.

"The 'not taken' evil will be multiplied many times, for no agent or broker need give a second thought to the danger of delivering a policy even in known weak credit cases.

"Ask the man who handles the farm installment note business about his troubles under the provision of the policy which agrees that it is suspended if the installments due are not paid at maturity. He frequently accepts payment of an installment later than the day on which it was due, and occasionally finds that a loss has occurred in the interim and that the assured is claiming that the policy has been reinstated by the acceptance of the full amount due.

"This situation would arise many times under the proposed clause, because, if a claim occurred after the 30th day of the policy, the assured could, and doubtless would, offer payment in full, and it would be innocently accepted by the agent, thereby reinstating the policy, and denial of liability would be troublesome, even if ultimately successful.

"Neither has it been made clear in any argument so far noted how the matter of a 'payment on account' would affect the validity of a policy.

"The wording of the present policy contemplates a cash transaction, and it is not reasonable that better results can be obtained by liberalizing that thought.

Overhead Too High

"Collection troubles are about on an average for all companies, and it does not follow that the proposal would ease them because, nearly always where an agency is found to be in serious trouble, it is also found that its collections were on a considerably more satisfactory basis than were the payments to its companies. During the last two or three years particularly, agencies have got into difficulties because their commission income was not sufficient to cover overhead and living necessities, so money which should have been sent to the companies was used to cover these items.

"It would seem that a safe way out of this difficulty, and one which would ultimately work for the benefit of the company, the agent, and the public, would be to insist upon payment of each month's account by the agent not later

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Objections to Changes in Standard Policy Are Cited

WISCONSIN BRINGS UP ISSUE

New Provisions Subject to Construction by Courts and Likely to Cause Confusion

NEW YORK, Nov. 30.—Changes proposed in the standard fire policy of Wisconsin now under consideration by Commissioner Mortensen of that state recall that 14 years have now elapsed since the adoption here of the form of contract now in use, and followed in its entirety, or with but slight variations in many of the states of the east, south and in the Rocky Mountain territory. Maine, New Hampshire, Massachusetts, Texas and California are among the states having fire policy forms of their own, each differing from the other in certain particulars to conform to their respective statutes.

Form Used for Many Years

The old New York standard form was prepared in 1886 by a joint committee of fire underwriters and legislators and was in continuous use until 1918, when the need for its modernization was recognized, and the new contract that was drafted was approved by legislative enactment.

As years elapse before interpretations of policy conditions are obtained from the appellate courts, executives are naturally averse to any change in the form, unless the need is clearly apparent and conformity can not be secured through the attachment of riders.

Another objection to altering policy conditions is the general disposition in such event for lawmakers to open up the entire subject of insurance legislation, with the general result that changes are proposed in the contract as well as in the governing statutes, which make for confusion both with assureds and insurers.

Sullivan Outlines Program

Newly Elected Washington Official in San Francisco to Confer With Company Men

SAN FRANCISCO, Nov. 30.—W. A. Sullivan, newly elected insurance commissioner of Washington, is in San Francisco conferring with Pacific Coast fire company executives on Washington problems from the companies' viewpoint. Mr. Sullivan will succeed H. O. Fishback, who has held the post for 20 years. He takes office Jan. 11. A local agent for 22 years, 14 of which have been spent in Seattle, where he has built a substantial business, Mr. Sullivan states that despite previous reports he has not been elected on a radical program but on the contrary he will make only readjustments in the department which he deems constructive.

He is in favor of rigid examination of applicants for agents' licenses; for prosecution of arsonists and claim "racketeers," rigid inspection of the financial standing of all companies operating in the state and elimination of the incompetent from the business. As fire marshal he states that he will conduct a steady state-wide fire prevention campaign.

He will endeavor to have legislation enacted to place the industrial accident insurance fund and its operations under the supervision of the insurance department, stating that under the present system it is unsatisfactory to employers and workers.

At the meeting of the Iowa Blue Goose in Des Moines Monday William Gillespie, manager of the "Register & Tribune's" new radio station, KSO, told how a radio station is managed and operated. Commissioner E. W. Clark was a guest.

THE WEEK IN INSURANCE

Southeastern Underwriters Association reaffirms Pinehurst rule on mixed agencies, revises farm application rule, considers agents' balances, fiduciary trust agreements, standard forms and other matters at Pinehurst, S. C., semi-annual meeting. **Page 3**

Conference of east and west to be held in connection with proposed additional supplemental hazards contract. **Page 3**

Inland Marine Underwriters Association ends competitive disadvantage of members under the furriers' customers form by vesting rating authority in the committee in charge of this coverage. **Page 3**

John F. Guinness, United States manager for the Pearl, issues a statement denying charges of irregularity in connection with the placing of the blanket policy on Salvation Army property. **Page 3**

National Association of Insurance Agents leaders to meet in New York next week. **Page 4**

Master in chancery to hear evidence in **Fire Insurance Company of Chicago** receivership case. **Page 5**

Democratic landslide leaves companies and organizations at sea regarding legislative possibilities of 1933. **Page 25**

Chicago case involving company's denial of commission to broker on excess audit premium on workmen's compensation paid after 60 days causes much concern to Chicago Brokers Association and may be made a test case. **Page 5**

Confusion from lack of uniformity of rates and rules ended with launching of **Middle Department Rating Association** in Philadelphia. **Page 5**

New occupational disease program worked out by National Council on Compensation Insurance, to become effective Dec. 31 in all non-regulated states, filed in Michigan in connection with request for general rate increase there. **Page 23**

Chicago plate glass insurance rates heavily increased Dec. 1, 50-50 policy prohibited in **Cook County Plate Glass Insurance Bureau**, as result of approval of bureau's program by companies' committee in east. **Page 23**

Group of Pennsylvania bankers is promoting surety company to do business exclusively with banks, which subscribe to the capital setup of the new carrier. **Page 23**

Many accident and health managers report success in converting older policies to new bureau forms. **Page 23**

Master Appointed to Pass on Charges Made in Petition

FIRE OF CHICAGO CASE UP

New Management to Show Efforts to Recover Money on Deals Criticized by Court

Federal Judge James H. Wilkerson this week appointed a master in chancery in the petition for a receiver against the Fire Insurance Company of Chicago to take testimony on the allegations of petitioners. The petition alleges mismanagement and fraud and that the company has ceased to operate in accordance with its charter. The petitioners estimated it would take about two weeks to present their testimony. The defense will then have an opportunity to refute the charges. Upon the master's report the court will decide whether to appoint a receiver or not.

Judge Wilkerson at the hearing this week said the transactions were wrong on their face. The defense alleged there was a new management in control and Judge Wilkerson asked what they had done toward recovering the money that had been paid out on the improper deals. This will be shown before the master.

The present management consists of Massey Wilson, elected a director and chairman of the board on March 31, 1930, and still chairman; Oscar Looker, elected secretary and treasurer Nov. 18, 1929, still secretary; Alexander Green, elected president, and B. Frank Bushman, treasurer, both elected at the annual meeting in 1932.

Heavy Purchases Made

The minutes of the company show that on Nov. 18, 1929, there was a special meeting of stockholders held for the sole purpose of electing directors to replace those who resigned Nov. 16. Immediately after the stockholders' meeting the directors met and authorized an executive committee and also elected the members thereof. In the afternoon of the same day the executive committee proceeded to make the purchases which are criticized in the petition. The minutes show that the executive committee purchased from the Insurance Investment Corporation or its subsidiary \$2,173,252 worth of insurance securities. These consisted of 3,559½ shares of the Agricultural Life, \$569,520, purchased from the Security Mortgage Corporation of Detroit; 178 shares Agricultural Life, \$38,480; 15,100 shares Federal Reserve Life, \$825,000; 16,915 shares Farmers National Life, \$440,251.95.

There was also purchased from the Insurance Investment Corporation a participating certificate of \$300,000 issued by the Federal Reserve Life, and payable only out of surplus in excess of \$50,000. The minutes indicate the Insurance Investment Corporation had loaned \$300,000 to the Federal Reserve Life, whereas it is alleged in reality the money was not turned over to the Federal Reserve Life until it had been received on this deal from the Fire Insurance Company of Chicago.

"Wrong on Their Face"

It was these purchases that Judge Wilkerson described as wrong on their face, inasmuch as the management that went in on Nov. 18 represented control by the Insurance Investment Corporation, seller of these securities.

It is also contended by the petitioners that the stock held by the Insurance Investment Corporation was illegally issued.

Early in 1929 P. W. Chapman & Co. of Chicago bought control of the Iowa National Fire. In the same year they underwrote the unsold shares of the Fire Insurance Company of Chicago, taking over something like 45,000 shares at a price of \$62.50 each, less 10 percent

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Gets New Title



C. D. McVAY

General Counsel C. D. McVay of the Ohio Farmers was recently made vice-president and a director of that company and the Ohio Farmers Indemnity. He succeeded the late Judge Frank Taggart as general counsel in 1926.

Van Schaick Files Mass of Data in S. B. Hopps Case

Voluminous data has been filed in behalf of Superintendent Van Schaick of New York with the clerk of the county of New York in connection with the appeal of S. B. Hopps from the revocation of his brokers' license. Supreme Court Justice McCook issued a writ of certiorari on petition of Hopps and the filings in behalf of Superintendent Van Schaick are made because of that writ.

The data filed include testimony, records and exhibits in connection with the inquiry into the proposed operations of the Pearl of London and with the hearings which led to the revocation of Hopps' license.

Some of the most interesting data consisted of telegrams and letters exchanged between Hopps and J. F. Guinness at a time when Hopps was executive special agent for the National Union and Guinness was vice-president of that company. Mr. Guinness is now United States manager for the Pearl. The messages are somewhat elliptical. They indicated that files and records of one kind and another had been concealed from inspectors.

Mr. Hopps issued a statement denying authorship of certain wires and letters. It was customary, he said, for all communications from the 60 John street office of the National Union to be signed S. B. Hopps, whether or not he was in the city.

"From the beginning of this whole controversy I have been the subject of attack by way of innuendoes and inferences, and unsupported and unverified documents when it would have been very easy for the insurance department to have called as witnesses the living and available men who had full knowledge of the facts and who could have testified to the same," Mr. Hopps declared.

Who Is "Legitimate" Agent

The Wheeling, W. Va., board of education has decided that it will try to place \$551,000 insurance with companies that maintain offices in its city. It has called for a list of "legitimate" agencies as the ones to be preferred in getting the insurance. A dispute arose between the stock and mutual agencies as to the term "legitimate."

Middle Department Group Ends Confusion of Rates

CENTRALIZATION OF EFFORT

Depression Crystallizes Need for Uniformity Organization—Wiederhold in Executive Charge

With the launching of the Middle Department Rating Association at Philadelphia, the four previously independent rating bodies in Pennsylvania ceased to exist as such, although they will be retained as divisional offices of the central organization and subject to its direction.

A requirement for membership in the new body is that rates be observed throughout its entire jurisdiction, Delaware and Maryland (outside Baltimore), as well as Pennsylvania. This means that a number of small mutuals, as well as a stock company group of New York City, will be outside the breastworks, since their managements, while willing to cooperate as heretofore in particular territories, have declined to be tied up for the whole jurisdiction.

Wiederhold Is in Charge

The executive management of the enlarged association is in the hands of Louis Wiederhold, Jr., who served as secretary of the Underwriters Association of the Middle Department for upwards of 25 years, prior to which time he was a special agent for the German American, now the Great American, in western Pennsylvania, and hence is posted as to every phase of the fire business in the field under his direction.

The abolishment of the four rating bodies in Pennsylvania and centralization of authority in the hands of company officials marks the culmination of a movement actively begun months ago, although the desirability of such procedure had been recognized for some time.

Prior to 1929 when company officials were concerned primarily with the development of their companies, comparatively little attention was given to association activities throughout the country, these being allowed wide latitude in administration of their affairs.

Much Confusion Existed

As was inevitable under such conditions, some local bodies adopted rates, rules and regulations that differed more or less markedly from other organizations, tending to confuse agents and assureds, and forcing head office men and special agents to spend an undue proportion of their time in scrutinizing forms and reports.

Practices of this kind, even though indefensible and expensive, were not given attention until the era of depression began, when perforce, company executives as well as business men generally began a systematic study of field and office methods, with a view to instituting reforms and curtailing expenses.

While the launching of the centralized rating bureau in Pennsylvania is a forward step in the new program of fire companies, others may be expected from time to time in the near future, not only in the east, but in sections of the country wherever opportunity exists for effecting economies without reducing service efficiency.

Dinner to Commissioners

An informal dinner to the insurance commissioners will be held at the Waldorf-Astoria Hotel in New York City Dec. 7. There will be no formal invitations, no tables engaged for companies and no assigned seating arrangements. Tickets can be obtained from Oliver Jones, assistant secretary, dinner committee, Waldorf-Astoria hotel. A lengthy committee is in charge of the dinner.

Brokers Concerned Over Suit Involving Commissions

BAD PRECEDENT ESTABLISHED

Denial of Fee on Excess Audit Premiums on Workmen's Compensation May Be Tested in Court

One of two Chicago cases reported in THE NATIONAL UNDERWRITER involving commissions on the excess premiums shown by payroll audit appears to have national importance and has excited the concern of the Insurance Brokers Association of Chicago. It involves a broker's right to commissions on premiums paid after 60 days from the time of the company's invoice, in view of a separate agreement between general agent and company that no commissions will be allowable on such overdue premiums. The brokers' position is that the commissions are earned and that no private agreement between company and general agent can affect them.

R. M. Redmond, who has operated Redmond & Co., brokerage firm of Chicago for many years, paid the general agent \$700, the first quarterly premium. The policies were canceled March 23, 1932, for non-payment of the second quarterly audit premium, the total earned premium from July 1, 1931, to March 23, being set at \$1,800.

Sue for Entire Premium

On June 23, the Zurich filed suit against the assured for \$1,800, the total earned premium. The balance due of \$1,100 was collected by Mr. Redmond on Aug. 15 and the net premium remitted direct to the company by check, which was refused because of the commission deduction. Mr. Redmond then offered legal tender for the net balance, which also was refused, the waiver by the general agent of commissions on earned and additional premiums not paid within 60 days being cited.

The case was heard before Municipal Judge Greer in Chicago and was taken under advisement, the decision to be rendered this week.

Mr. Redmond contends that this is a vital issue because if he is forced to take the status of dealing with the general agent instead of directly with the company, his rights have been lessened. He holds that as an agent of the assured he is not bound by any agreement between company and agent, and that if he were, the situation might arise where the commission would be waived 30, 15 or any lesser number of days after the invoice.

It is not known how general throughout the country is this kind of agreement.

(CONTINUED ON LAST PAGE)

W. I. B. to Outlaw All but Three Policies After June 1

The Western Insurance Bureau has set June 1, 1933, as the dead-line beyond which use of other than the three standard policies by its members is outlawed. The policies, which may be used after that date, are standard fire, standard windstorm, and standard combined. This legislation applies to all states in the west except Iowa, Nebraska, Ohio and South Dakota.

The Western Underwriters Association has set Jan. 1, 1933, as the date beyond which all except these three policies are outlawed and the Western Underwriters Association rule applies in all states except Iowa, Nebraska and Ohio.

The Western Insurance Bureau has been in charge of getting the non-affiliated companies to agree to eliminate all but the three standard policies in the west and all of the non-affiliated companies have signified their approval, but have not set an effective date.

Few Companies Voluntarily Surrendered by Agents Now

MORE CONFIDENCE IS SHOWN

Tendency Among Local Men to Distribute Lines More Freely Is Also Noted

NEW YORK, Nov. 30.—A pronounced change in the attitude of agents regarding company representation has taken place in recent months. The almost wholesale surrender of appointment contracts that took place in certain sections of the country during the closing months of 1931 and the early period of the present year has been so far reversed that the voluntary surrender of a company's supplies by an agent is now rare, such changes as are now effected in the main being at the instance of the companies.

The agents, who in the early days of the depression became fearful as to the ability of certain of their companies successfully to withstand the steady shrinkage in security values, have been largely reassured and are now convinced that with the upswing of stock prices and the marked appreciation in bond values, the fire companies by and large are financially in shape to carry on.

Another tendency observable in agency circles is the disposition of the local men to distribute lines more freely than was true formerly. By such a policy the law of average is being applied as an added safety measure. Some of the companies, which heretofore retained liberal percentages of big lines, likewise show an inclination to place reinsurance thereon, they too being unwilling to be caught with too heavy commitments upon individual risks. This scattering of liability on the part of both agents and companies indicates an appreciation of sound underwriting principles.

S. W. Cornwell Dies Suddenly

Sydney W. Cornwell, secretary of the Aetna Fire, with immediate supervision over New England and the middle states, died suddenly in a hotel in Baltimore, presumably of a heart attack. He started with the Factory Association in 1901 and later joined the Southeastern Underwriters Association. He was connected with Fred S. James & Co. in New York and the Scottish Union before joining the Aetna.

John P. Bates Is Bereaved

PORTLAND, ORE., Nov. 28.—Mrs. John P. Bates, 21, the one-day bride of John Bates, well known insurance man connected with the Bates, Lively & Pearson Agency fell to her death from the ninth story of the Olympic Hotel, Seattle. The bride was formerly Phyllis Grossmayer, daughter of the well known insurance man, Phil Grossmayer.

Bankruptcy Not License Bar

LINCOLN, Nov. 30.—The Nebraska department is issuing licenses to agents without regard to whether they have gone through bankruptcy, even if the purpose of that action was to get rid of balances owed by the agent to a company. Mrs. M. A. Fairchild, chief clerk, says that question is raised occasionally by companies, but that a mandamus secured by an Omaha agent, who was alleged to have openly stated that he was going through bankruptcy to defeat recovery by his companies, still holds as the law in Nebraska. The court said that as a discharge in bankruptcy wiped out all debts scheduled, the department was obliged to issue a license when the agent showed he owed no one and otherwise had complied with the law.

Former W. I. B. Manager Dies at the Age of 62



RUDOLPH BELCHER

Funeral services were held in Milwaukee Monday afternoon for Rudolph Belcher of Chicago, who died at his home in that city after an illness of several months. For about the last two years Mr. Belcher had been doing some facultative reinsurance work for the Eagle Fire of New Jersey in the west. He was general manager of the old Western Insurance Bureau from 1921-1929. He was never connected with the bureau since its reorganization.

Mr. Belcher was born in Memphis and was in the local agency business there from 1884-92. In that year he went to Chicago and was connected with a general agency there. Then he served as special agent for the conference committee of the Western Insurance Bureau and Western Union, and secretary of the uniform forms committee. That was from 1914-21. At one time Mr. Belcher was one of the chief examiners in the western department of the Phenix of Brooklyn under C. R. Street. After leaving the bureau for a few months he was acting manager of the Underwriters Grain Association.

The funeral was held in Milwaukee because that is the home of the parents of Mr. Belcher's widow. Among those at the services were W. E. Wollaeger, president of the Concordia; Fred C. Schad, secretary of the Western Insurance Bureau; F. F. Gordon, Wisconsin state agent for the Boston, and A. P. Skowrup, Wisconsin state agent for the Great American.

Mr. Belcher was a member of the Illinois Blue Goose and held a life insurance policy through the order.

Stockholders Bring Suit

W. S. Kinney and Lewis Auer of Canton, O., stockholders of the Industrial Fire of Akron, O., have filed suit for \$700 against that company, its officers, directors and former directors since 1926. The charge is made that the statute prescribing how insurance companies organized in Ohio may invest their funds was violated. Capital and surplus funds were invested in marginal stock operations, the bill alleges. The outstanding business of the Industrial was reinsured in the Globe & Rutgers last year.

Directors of the Industrial Fire have just voted to merge that company into the Stuyvesant. Stockholders will vote on the proposal Dec. 27.

Arthur Dix, 26, head of a pioneer local agency at Decatur, Ala., which his father established, was found dead in his automobile. He was a trustee of Howard College.

Haid, Cross, Dunham Are on Connecticut Day Program

WILL HOLD GROUP SESSIONS

Fire and Casualty and Life People to Have Separate Meetings—Luncheon Replaces Banquet

Distinguished speakers will appear on the program during Connecticut Insurance Day in Hartford Dec. 15. They include Paul L. Haid, president of the Insurance Executives Association; Governor Cross of Connecticut and Commissioner Dunham of Connecticut. The meetings will be held in the Aetna Life building. George E. Turner, president of the First Reinsurance, is general chairman.

Instead of a banquet, this year there will be a luncheon meeting, followed by two group conferences in which the life men and fire and casualty people will meet separately. Before the luncheon there will be a general session for people in all branches of the business. Mr. Haid will be the principal speaker at that time. Then following the group sessions, there will be another general meeting.

The Connecticut Insurance Day committee consists of the following, in addition to Mr. Turner: Honorary chairman, Commissioner Dunham; vice-chairmen, D. G. North, New Haven, past president Connecticut Association of Insurance Agents; James L. Case, Norwich, past president National Association of Insurance Agents; secretary, S. J. Putnam, Hartford, resident manager Fidelity & Casualty. The Connecticut Association of Insurance Agents, Connecticut Life Underwriters Association, Connecticut State Chamber of Commerce, Connecticut Field Club and Casualty & Surety Association of Connecticut are sponsoring the affair and are represented on the committee.

A. B. Banks Is Pardoned

A. B. Banks, whose organization once controlled 48 banks and trust companies and three insurance companies, has been pardoned by Governor Parnell of Arkansas. He had been sentenced to serve one year in the Arkansas state penitentiary after conviction of accepting deposits in one of his banks after it was known to be insolvent. The governor stated that the conviction of Banks was on a purely technical offense. His insurance companies were the Home Life, Home Fire, and Home Accident of Arkansas.

American National in Michigan

The American National of Ohio, through a mistake, was omitted from the list of companies in the Underwriters Handbook of Michigan. A clerk in the Michigan insurance department had concluded that because the Great American was reinsuring the liability of the American National, the latter company was retiring from Michigan and consequently it was omitted from the list of companies operating in Michigan, which was furnished to the compilers of the Michigan handbook.

Association Is Incorporated

The North Carolina Association of Insurance Agents has filed articles of incorporation, its chief office to be at Raleigh.

Watertown Board Meets

Round table discussions of fire and casualty insurance problems featured the November meeting of the Watertown, Wis., Board. About 15 members attended and took part in the discussions.

New York Pond Honors S. A. Mehorter at Dinner

NEW YORK, Nov. 30.—Attesting their appreciation of S. A. Mehorter, past most loyal gander of the New York City Blue Goose, and now grand custodian of the grand nest, many members attended the good fellowship dinner here Monday. W. E. Mallalieu, P. M. L. G. G.; L. A. Watson, M. L. G.; Most Loyal Gander Munns, Pennsylvania pond, and others spoke in appreciation of Mr. Mehorter. Mr. Mallalieu presented Mr. Mehorter the emblem of the order, and T. B. Donaldson, supervisor, a fine lounging robe. The report of Wilder Buchenberger disclosed the pond to be in healthy condition, with 312 members. The entertainment features, in addition to the characteristically humorous address of Gander Donaldson, was a two-reel picture depicting the salvaging of cotton from the bottom of the Mississippi river.

Brokers Hosts to Officials

NEW YORK, Nov. 30.—L. S. Kennedy of Marsh & McLennan has been elected a director of the Insurance Brokers Association of New York, succeeding F. A. Mannen of the same firm, whose frequent absences from the city made it impossible for him to attend regularly. Under the general direction of a committee of three, and with W. W. Ellis as its editor, the brokers' association Jan. 1 will begin the issuance of a monthly publication to be known as the "Insurance Broker Age." Directors will be hosts to visiting commissioners at a luncheon to be given at the Hotel Pennsylvania here Dec. 6.

Kyodo Prepares to Withdraw

NEW YORK, Nov. 30.—The Kyodo Fire of Osaka, Japan, which entered the United States for fire reinsurance in 1926, is completing arrangements whereby it will be relieved of its outstanding liability for both unearned premiums and outstanding losses. When negotiations to that end are completed the company will likely withdraw from this country. In the six years of its activity here under the management of Fester, Fothergill & Hartung of this city the Kyodo enjoyed a continuously favorable underwriting experience.

Soderstrom Gets Post

C. W. Soderstrom, who has been acting publisher of the Illinois Inspection Bureau since the death about a year ago of Frank H. Jones, has now been made publisher.

Veteran Agent Is Dead

H. A. Schroetter, a former officer of the Kentucky Fire Insurance Agents Association, and a veteran in insurance and building and loan association affairs, died at his home in Covington, Ky., at the age of 80.

Executive Kills Himself

Continued ill health, it is assumed, impelled A. H. Hellriegel, treasurer of the several of the companies subsidiary to the Phoenix of London, to commit suicide in New York Tuesday.

SLOW INSURANCE INVESTMENTS SALVAGED

Executive, with established contacts, experienced in law, credits, investment troubles, desires connection with Insurance Corporation.

Past four years handling investment troubles, covering entire country for large insurance company. Write or wire F. H. C., Hewett-Crouse Advertising Co., 646 N. Michigan Ave., Chicago, Ill.

AS SEEN FROM CHICAGO

UNDERWRITERS SERVICE MOVES

The Underwriters Service has completed removal of its executive offices to A-1945 Insurance Exchange building in Chicago. The association was formerly located on the seventh floor in the north section of the exchange. The telephone number remains Wabash 5070.

BLUE GOOSE MEETS MONDAY

The regular luncheon meeting of the Illinois Blue Goose will be held Monday, Dec. 5, in the east room of the Hotel La Salle. Movies of the world's fair will be shown. R. E. Vernor, manager fire prevention department of the Western Actuarial Bureau, serving as the operator.

BASKETBALL LEAGUE STARTS

After considerable delay and almost the certainty that the Insurance Athletic Association basketball league of Chicago would have to suspend for the winter season because of failure to get enough teams, eight teams finally have signed up and play will start about Dec. 10. The teams are, Chicago Board, Marsh & McLennan, America Fore, Kemper mutuals, Moore, Case, Lyman & Hubbard, Zurich, Millers National and Fred S. James & Co. The Millers National is a newcomer to the league. The Hartford may come in, according to President W. F. Kuffel of the league, connected with the Chicago Board. Play will be in the North-Larrabee Y. M. C. A., there being no admission charge. The secretary is R. N. Moore of the Employers Liability.

BOORN IN SAN ANTONIO

W. C. Boorn, associate general agent for the Hartford Fire in the western department at Chicago, and Mrs. Boorn are spending the winter in San Antonio.

H. E. FEER IN CHICAGO

H. Ernest Feer, vice-president and secretary of the American Equitable, is spending this week in Chicago on business.

WANT EXHIBIT AT FAIR

The Insurance Brokers Association of Illinois over the signature of President Arthur S. Schwartz has addressed the presidents of all fire and casualty companies urging them to participate in the Chicago world fair next year by an exhibition of stock company achievements. The communication states that

Wanted: Inland Marine General Agency

Can guarantee good premium income on fire, theft, conversion, and inland transportation installment sales on refrigerators, household goods, radios, etc. We maintain claim and credit inspection department, to operate under Company supervision. Reasonable overwriting compensation, past loss ratio very low. Address X-3, The National Underwriter, Chicago.

Man Wanted

To Manage Fire Department of General Insurance Agency.

Prefer man who controls some business.

THOMAS E. HANLON
First National Bank Building,
Cincinnati, Ohio

WANTED

To purchase INSURANCE BUSINESS which holds chance to build. Prefer community of about thirty thousand. Please give full details in first letter. All correspondence held strictly confidential. Might consider partnership. Address X-5, The National Underwriter, Chicago.

Experienced special agent desires position in territory covering New England, New Jersey or Pennsylvania for a fire insurance company. Can furnish A-1 references. Write to Box X-2, The National Underwriter Co., 123 William Street, New York, N. Y.

the mutuals are preparing to make an elaborate display and that unless the stock companies reserve space, they will be overshadowed at the fair. The brokers suggest that the stock company exhibit be in charge of the National Board and National Bureau of Casualty & Surety Underwriters.

THOMAS F. PATTERSON DIES

Thomas F. Patterson, who was well known to insurance men in Chicago, died at the King Home for Old Men at the age of 69. Mr. Patterson was admitted to the King home about a year ago through the intervention of some of the insurance men in Chicago, who knew him in the old days. Mr. Patterson at one time was chief underwriter for R. S. Critchell & Co. Later he was connected with the State of Pennsylvania in Chicago and then with the Security of New Haven at the western department in Rockford. Mr. Patterson had been eager to do some sort of work in his later years and at one time C. R. Street, vice-president and western manager of the Great American, gave him a job for a few weeks. He was distinguished by the fastidiousness of his dress.

Harold O'Brien, vice-president of the Lincoln Fire, who was operated on at the Billings hospital in Chicago, is making exceptional recovery and is expected to leave the hospital the latter part of this week.

Mrs. Laura M. Cullison, wife of James B. Cullison, Jr., manager of the Rain & Hail Bureau in Chicago, suffered a broken arm in a fall from a stepladder, while arranging a display in a sale of articles for poor relief.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 112 W. Adams St., Chicago
as of Nov. 28

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas.	10	1.60	33	34
Aetna Fire	10	2.00	28	29
Aetna Life	10	...	13	14
Amer. Alliance ..	10	1.00	12	13
American, N. J. .	2.50	.50	6 1/2	7 1/2
Amer. Surety	25	...	13	14
Automobile, Conn.	10	1.00	15	16
Boston	100	16.00	330	345
Carolina	10	...	11	12
City of N. Y.	100	...	80	85
Conn. Genl.	10	1.20	32 1/2	34 1/2
Contl. Assurance	10	2.00	22	24
Continental Cas. .	5	...	7	8
Continental Ins. .	2.50	1.20	14	15
Fidel-Phenix	2.50	1.20	15	16
Fireman's Fund ..	25	3.00	41	42
Fireman's F. Ind. .	10	...	15	17
Firemen's	5	.60	6	7
Fire Assn., new ..	10	.80	22	25
Glens Falls	10	1.60	25	27
Globe & Rutgers	25	...	86	92
Great Amer. Ind. .	1	...	4 1/2	6
Great American ..	5	1.00	13	14
Halifax	10	1.20	9	10
Hanover	10	1.60	23	24
Harmonia	10	1.80	8 1/2	9 1/2
Hartford Fire	10	2.00	36	38
Home, N. Y.	5	1.00	13	14
Hartford St. B. .	10	1.60	37	39
Home, F. & M.	10	2.00	22	23
Homestead	10	...	6 1/2	7 1/2
Imp. & Export	25	...	9	12
Ins. Co. of N. A. .	10	2.00	29	32
Maryland Cas. ...	2	...	4	5
Mass. Bonding ...	25	2.00	13	18
Missouri State ...	10	...	5	6
National Cas.	10	.40	6 1/2	7 1/2
National Fire	10	2.00	35	37
National Liberty	2	...	3	4
National Surety ..	10	...	8	9
National Union ..	20	...	24	28
New Amst. Cas. .	10	2.00	16	17
New Brunswick ..	10	...	8	10
New World	10	.80	7	7 1/2
North River	2.50	.60	9 3/4	10 3/4
N. W. National ..	25	5.00	72	78
Occidental	10	...	10 5/8	13
Old Line L.	10	1.00	11	13
Pacific Mut. L. ...	10	2.00	27	29 1/2
Phoenix, Conn. ...	10	2.00	44	46
Prov. Wash.	10	...	15	16
Sprgfd. F. & M. .	25	4.50	60	64
St. Paul F. & M. .	25	6.00	101	104
Sun Life	100	...	230	260
Travelers	100	16.00	340	350
U. S. Fire	4	1.20	17	19
U. S. Fid. & G. .	2	...	4	5
Westch'r (new) ..	2.50	1.00	13	14

ADVERTISING— Business Stabilizer

«»

THE Advertising Federation of America collected the experience of 77 outstanding national advertisers for the year 1931. Twelve of the concerns reduced their advertising appropriations by proportions varying from 15 to 100 percent. Thirteen made reductions of less than 15 percent and 52 actually increased their appropriations.

What happened? The net profits of the 12 declined 41.2 percent; those of the 13 were reduced by 13.2 percent; and those of the 52 declined but 9.6 percent.

It is foolish to dispute the Federation's contention that advertising has a definite relation to the up-or-down trend of business. Dependable statistics show clearly that when advertising is fearless and liberal, business expands, and that when it is fear-smitten and contracted business withers.

Advertising is to business what gasoline is to the motor car. When the engine in your car begins to knock a bit on a steep hill you don't try to help matters by getting out and punching a hole in the gasoline tank.

(Number 25 of a series devoted to the merits of National Underwriter advertising)

«»

The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

VIEWED FROM NEW YORK

By GEORGE A. WATSON

BEARING DOWN ON AGENTS

There will be a larger amount of outstanding premiums quoted in annual statements this year than previously. Notwithstanding this fact, companies are, however, getting on a more substantial basis so far as collections are concerned and 1933 should give a better record. Companies evidently are eliminating the agents that cannot pay and this is forcing the agents in turn

to do business with only assureds who can pay. There are a number of companies that have been dilly-dallying with their agents, allowing them to continue in the hope that eventually they would work themselves out. It is stated that there are more insolvent agents in the country than ever before. However that may be, it is true that the agents who are able to weather the gale are getting their affairs on a better basis. In

some rural sections where agents depend almost entirely on farm income, their plight is unfortunate.

In New York City the New York Fire Insurance Exchange enforces rigidly the rule requiring all policies to be settled the 20th day of the second month following the writing of the business. This, therefore, does much to bring about a cash business in the New York City area. If brokers are not able to weather the storm, the result will be a real failure as they have all their premiums collected and have no large outstanding balances as is the case with many offices throughout the country where rules of this kind do not apply.

In the New York City area, policies must be cancelled on the dot at the time mentioned if a settlement is not made.

* * *

CONSIDER COLLECTION AGENCY

Fear is expressed in certain quarters that if special agents continue as they have been doing for some time past, to devote nine-tenths of their time attempting to collect long overdue balances, they will become incapacitated to perform with anything their old-time ability the primary essentials of procuring new business and inspecting risks. While such possibility is remote, it is undoubtedly true that field men are being driven along one line to such an extent that they have scant time left to seek new local connections for their companies and are almost afraid to attempt it, feeling that the first inquiry from headquarters will be as to the financial responsibility of the persons proposed. The strain put upon special agents and home office attaches in seeking to collect balances during the past two years raises the inquiry as to whether this division of the business could not be turned over to some central agency for handling. Certain it is that out of the experience through which companies are now passing some plan will be evolved that will place the fire business upon a more satisfactory basis from a premium collecting standpoint than now exists.

* * *

DAY ON WESTERN TRIP

G. Z. Day, assistant general agent of the Tokio Marine & Fire and vice-president of the Standard of New York, is in the middle west conferring with field men of the companies regarding conditions in their territories. He plans to return to New York about Dec. 10.

COMPANY NEWS

Western National Is Retiring

Policies of San Antonio Company Are Being Replaced by Policies of Yorkshire Group

The Branshaw & Vanston general agency has informed its agents that the policies of the Western National Fire of San Antonio are being replaced by policies of the Yorkshire group and direct operations of the Western National will be discontinued. Yorkshire supplies will be substituted for Western National supplies.

About a year ago the Western National reinsured all of its outstanding business in force in the Yorkshire and all business written by the Western National, under a continuing contract, has been automatically assumed by the Yorkshire. All policies issued by the Western National bear the guarantee of the Yorkshire. Now the final step has been taken and the Western National is retiring. The Western National has been licensed only in Texas.

Last week, it was announced that T. M. Webb had resigned as vice-president of the Western National Fire and that he had resigned his interests in the Webb, Branshaw & Vanston general agency of San Antonio to Eugene Branshaw and B. L. Vanston, who are continuing the office under the title of Branshaw, Vanston & Co. They have been appointed general agents of the Yorkshire Underwriters and Seaboard Underwriters, which will replace the Western National in that company's agencies, and also for the London & Provincial.

Agents of the Yorkshire and Seaboard Fire will continue to report to the head office in New York. State Agent C. L. Beale and Special Agent T. W. Schultz represent those companies in Texas.

The United States Merchants & Shippers Underwriters and Westchester Fire have been licensed in Montana.



*"Gentlemen,
you need Central Station Service"*

Business executives would rather have their buildings than insurance checks. They know very well that when Old Man Fire gets busy he never arranges the damage he does to fit the insurance. Show a man how to increase his protection and the chances are you can afford to carry a larger line. Explain the benefits of Central Station Sprinkler Supervision and you will probably influence operating economies... because it increases the effectiveness

of the automatic sprinkler system and turns it into an effective automatic fire alarm—more dependable than a human watchman and much less costly!

The insurance man who takes A. D. T. Central Station Protection Services into consideration serves both his customer and his company.

Get acquainted with your local A. D. T. personnel!

CONTROLLED COMPANIES OF

AMERICAN DISTRICT
TELEGRAPH COMPANY

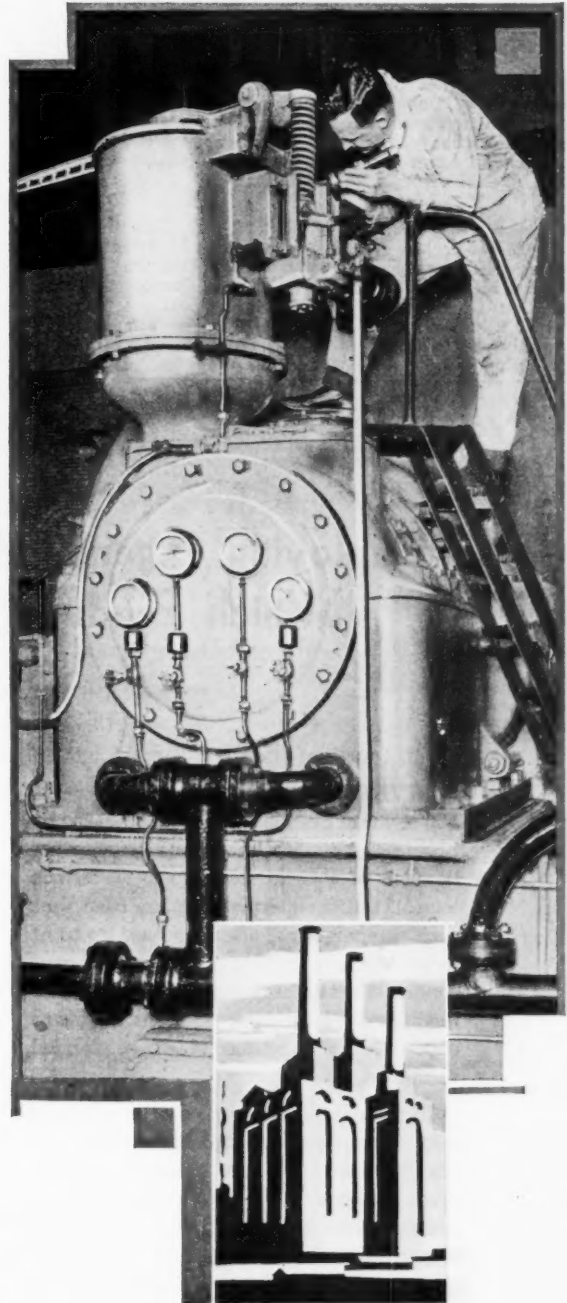
155 SIXTH AVENUE · NEW YORK N.Y.



*Accurate analysis . . by specially trained
"Ocean" and "Columbia" engineers
eliminates guesswork
in determining the amount of
power plant protection required*

MANY instances are on record where the maximum amount of protection provided for in power plant policies has represented only a small percentage of the loss actually sustained through a disastrous accident. In other cases purchasers are paying for much greater protection than can possibly be required.

"Ocean" and "Columbia" eliminate guesswork in determining insurance limits through accurate preliminary analysis by specially trained engineers—who are guided also by the lessons learned during many years' experience in power plant insurance. All recommendations are subject, of course, to the purchaser's ultimate decision, but every effort is made to provide adequate protection without one cent of unnecessary expense.



THE OCEAN ACCIDENT & GUARANTEE CORPORATION Ltd.
and
COLUMBIA CASUALTY COMPANY
One Park Avenue, New York



Canadian Branch: The Ocean Acc. & Guar. Corp. Ltd., Federal Building, Toronto, Ontario
Cuban Branch: Compania Cubana de Fianzas, Amargura 23, Havana, Cuba



CHANGES IN THE FIELD

Stuyvesant Names W. P. Ray

Indianapolis Man Made Indiana, Illinois General Agent—Scherer is State Agent

W. P. Ray of Indianapolis has been appointed general agent of the Stuyvesant for Indiana and Illinois. Edgar Scherer of Paris, Ill., will be state agent of the company for both states. He was formerly Illinois state agent for the Merchants of Denver. Mr. Ray is also state agent for Indiana and Illinois (except Cook county) for the Allemannia, and general agent for Indiana only for the United Firemen's and Dixie.

L. L. Miller

L. L. Miller has been appointed special agent in western Pennsylvania and western Maryland for the Sun, Patriotic and Sun Underwriters, with headquarters in Pittsburgh. H. M. Brown, who formerly covered the territory, resigned some months ago, since which time the

companies have been handled by W. R. Budlong, special agent in eastern Pennsylvania, who will now devote himself solely to that field.

W. J. Henshaw

W. J. Henshaw is resigning as Indiana special agent of the Commercial Union to join the George W. Pangborn general agency of Indianapolis as assistant general agent. Mr. Henshaw has been with the Commercial Union for 11½ years and prior to that was with the Springfield Fire & Marine for 12 years. Mr. Pangborn is general agent for the Pacific Fire, United States Merchants & Shippers and Ocean Accident.

W. P. Purkhiser

Effective Dec. 1 William P. Purkhiser has been appointed state agent for the London & Lancashire in Oklahoma, succeeding the late Clarence Strong. He will have his headquarters at 822 Mercantile building, Oklahoma City. Mr. Purkhiser has been special agent in Missouri assisting State Agent

Dudley L. Hoffman. For the present the company will not appoint a special agent in Missouri.

Harry G. Spaulding

Harry G. Spaulding has been transferred from Maryland to Florida as state agent for the Great American. In his new capacity he succeeds the late C. C. Beckham. His headquarters will be in the Hartsell building, Lakeland. Mr. Spaulding was connected with the Great American at the head office before being sent into the field.

Richard Barnhart

Richard Barnhart, appointed special agent in western Pennsylvania for the Yorkshire group as aid to State Agent J. O'Connor, is a graduate of the United States head office, having spent several years there following his graduation from college. His headquarters are in Pittsburgh.

J. P. Des Marais

J. P. Des Marais of Houston, Tex., has been appointed state agent for Corroon & Reynolds in Louisiana and Texas. He has been Texas state agent for the Public Fire.

Peg Leg Costs Company \$15 in Cigarette Fire

Fifteen dollars for a peg leg was recently paid by the Northwestern Fire & Marine to a Minnesota policyholder who carried fire protection on his household goods.

The policyholder went to sleep and the cigarette fell in his lap, while smoking, igniting the trouser leg which covered his wooden leg. The flames burned the outer fiber of the artificial limb before they started to lick at the live stump. Then he woke up.

In deciding the claim for the policyholder it was reasoned that the wooden leg constituted a personal effect just as much as the clothing that the man was wearing and the household goods policy covered personal effects.

Claims were also paid on the trousers and the upholstered chair that the man was sitting in but the leg alone cost \$15.

Little Legislation Along Insurance Lines This Year

NEW YORK, Nov. 30.—The legislatures of 12 states have held special sessions this year in addition to their regular sessions, called largely with a view to raising additional revenue. At none of them was legislation adversely affecting insurance interests adopted, few measures along that line being considered.

Early in the season the Virginia legislature in regular session adopted a financial responsibility law. Massachusetts at the same time broadened its compulsory automobile liability statute by requiring motorists to carry at least \$1,000 property damage insurance. Two additional Canadian provinces, British Columbia and Nova Scotia, fell into line with Ontario, Manitoba, New Brunswick and Prince Edward Island in enacting financial responsibility laws.

In 1933 the legislatures of 43 states will convene in regular session. Ohio and Montana lead off Jan. 2, the other states following almost immediately. Congress will also be in session, the short session starting next Monday.

Washington Leader Dies

WASHINGTON, Nov. 30.—David M. Lea, president of the David M. Lea Company and for more than 30 years a leader in Washington insurance and civic circles, died at his home Nov. 27 after an illness of several weeks.

Born in Richmond, Va., in 1864, Mr. Lea came to Washington in the early '90s, engaging first in real estate and later in insurance. For nearly a quarter of a century he was chairman of the insurance committee of the Washington Board of Trade, in which capacity he originated and carried on the fight for a high-water pressure system for the protection of the business section against fire.

He was active in preventing the enactment of legislation providing for a discriminatory workmen's compensation act for the District of Columbia and through his efforts brought about the adoption of more equitable provisions in the present law. To the time of his death, he was actively working for enactment of a modern insurance code for the District.

Miss Shallcross in Debut

Miss Elizabeth Shallcross, daughter of Mr. and Mrs. C. F. Shallcross, made her debut at a dinner dance in New York City, the affair being attended by many of the younger society set. Mr. Shallcross is United States manager of the North British & Mercantile. Mrs. Shallcross is a daughter of the late C. A. Post, long United States manager of the Caledonian.

Home Fire & Marine directors have declared the regular 50 cent quarterly dividend to stockholders, payable Dec. 15.

Employing Agency Advertising Methods Which Produce Immediate Sales

BY THE FIRE COMPANIES OF
THE AMERICAN GROUP

SEVERAL readers have written us to say that our plan for developing agency business—not in spite of, but rather because of present conditions—sounds logical, but their experience has been that such campaigns are always geared up to fit large agencies having an extensive personnel. These feel that they, with small or medium-sized agencies, would be unable to cope with the intricacies of a planned campaign.

In the past, business promotion schemes may have been intricate, but today we find that we are back to fundamentals. High-pressure salesmanship and elaborate presentations avail nothing. Today the buyer wants plain truths, told simply and plainly. In spite of its all-inclusiveness as to scope, there is no single feature of our plan which any small Agent might not have evolved himself, had he spent the time we have.

Our "Current Opportunities" campaign is not geared up to big business, but rather geared down to small business. The large Agent merely uses more of it than the small

Agent. Even the one-man agency can employ its spare moments to good advantage.

In telling our story we have avoided extravagant claims for the success of our plan. Now we are able to report actual results obtained. Here are two examples that are representative of many others.

For those who are interested in percentages, let us say that returns have run as high as 100 percent—though, of course, perfect scores are exceptional. Our Agent at Woodside, N. Y., tried one of our sales features on fourteen prospects and made fourteen sales!

In South Dakota there is an agricultural town called Lesterville, with a population of 455. Our Agent in this town is John Pekas. On May sixth we induced Mr. Pekas to try out one of the features of our campaign in a small way—a very small way. On June tenth he wrote us, "I have used up the material you sent me and would like to have some more. The first batch produced \$507.51 in premiums."

There is nothing exclusive about this; it is open to all our agents, old and new.

THE AMERICAN OF NEWARK • THE COLUMBIA FIRE OF DAYTON • DIXIE FIRE OF GREENSBORO

ANNOUNCING

THAT IN THE INTEREST OF GREATER FINANCIAL STABILITY AND GREATER EFFICIENCY OF OPERATION

We have, by and with the approval of the Insurance Commissioner and the Attorney General of the Commonwealth of Pennsylvania, consolidated the Resources and Organization of INTERNATIONAL RE-INSURANCE CORPORATION and INDEPENDENCE INDEMNITY COMPANY.

That the combined assets are in excess of \$25,000,000—all of which are now security for policies and liabilities of Independence Indemnity Company.

That the business of the "Independence" will be conducted as heretofore from the Independence Building, Philadelphia, without change of personnel, but will be operated hereafter as INDEPENDENCE INDEMNITY UNDERWRITERS of INTERNATIONAL RE-INSURANCE CORPORATION.

That during the past twelve months the Independence has liquidated practically all of its mortgage guarantees amounting to more than \$2,500,000, and has in addition paid for legitimate insurance claims more than \$7,000,000.

That we thank our Policyholders, our Agents and Brokers and all of our friends for the loyal support which they have extended us in the past and for their assurances that the same confidence will be reposed in us for the future.

That business generally is on the up-grade and will continue to improve, and we, as heretofore, are going to continue strictly minding our own business, believing that if all so do, we—as well as all others—will continue to have a worthwhile business to mind.



President

International Re-Insurance Corporation
Los Angeles, California



INDEPENDENCE INDEMNITY COMPANY
Philadelphia, Pennsylvania

THE NATIONAL UNDERWRITER

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SOUTHEASTERN OFFICE—ATLANTA, GA.
204 Atlanta National Bank Building
SETH WHITE, Resident Manager

Entered as Second-class Matter April 28, 1928, at Post Office at Chicago, Ill., Under Act, March 3, 1879

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In Combination with Life Insurance Edition, \$5.50 a year; Canada \$10.50



Business Men Are Needed

WHEN all is said and done, depression periods like the present are just a testing time and years during which the barnacles and dead wood of business and social economy are cleared away. It is true that the process is somewhat ruthless and very often innocent persons suffer, but it is nevertheless a process similar to that by which nature renews herself and sends forth shoots of new life.

So far as the depression period in this country is concerned, have we any but ourselves to blame for what has happened? We kept raising our standards of living without correspondingly raising our standards of work and real achievement, until the thing broke. The laws of nature run through those laws and rules made by man for the regulation of his own conduct and of his society. They are inevitable. We do not have to go to the countries abroad to find the causes for our own troubles; they are right here at home, and clear to everybody. Our inflated values in every field, our increased charges to the public in the form of dividends and profits, our increased taxes and public burdens, our assumption that there is an imaginary "state" or society which owes us something and on which we can lean and thus avoid the results of our own failings and deficiencies stand before us. We should add to this the assumption that there is a vast number of supermen, especially in the field of business, who have powers which we do not possess and who exert them benevolently for us, forgetting themselves, when these men are exactly like ourselves and will go no farther for the other fellow than we will. The same

group of people who have looked to these supermen for support will now, doubtless, turn to the state and we may have an attempt at some kind of socialism or state paternalism. This, however, is contrary to the whole tradition of American society and government and we shall no doubt in the end be true to our history and traditions, just as Russia and Italy are true, in their own ways, to their traditions and past experience.

What we most need at the present time, in our humble opinion, in each community is a set of real business men who will grapple with problems as they are, who will accept the present depression as one of the normal phases of our form of society, and who will go to work to do two things. The first of these is that we shall recognize that debts are to be paid at maturity and not to be carried along indefinitely or "refinanced" ad infinitum. The second is that these business men shall put our unemployed to work at something, on a business basis, if it only be to again take up abandoned farm lands or farms that can be bought for little or nothing and give any honest man a chance to work, even though his pay be only a cot on which to sleep and three square meals a day. One needs but to take an automobile and travel out into the country in any direction to realize that there is ample opportunity for a huge amount of human labor in rebuilding fences, clearing waste lands, fixing up barns and houses, planting orchards and putting the country districts back in the shape they were even 25 or 40 years ago. A good business man, even though he has not had a college educa-

PERSONAL SIDE OF BUSINESS

Western Manager Charles E. Dox of the London & Lancashire at Chicago has moved from his summer home on the outskirts of the Glen View Golf Club to 1209 Astor street, Chicago. He has visited his office at odd times in recent months but is still incapacitated and is remaining at home conserving his strength.

J. Stewart Pearce of Pearce, Porter & Martin, Tulsa, Okla., has returned from England. The trip was purely for pleasure although he visited the Employers Liability office in London. Mr. Pearce has been prominent in association matters, local, state and national.

One of the most brilliant social events in Nashville was the wedding of Miss Evelyn Byrd Douglas and W. D. Gale, Jr., of the agency of Gale, Smith & Co. The nuptials were celebrated in Christ Episcopal Church, the service being read by Rt. Rev. H. J. Mikell, bishop of Atlanta, and Dr. Danbridge, Christ Church rector. The bride is socially prominent, springing from a distinguished southern family. She studied at Pelham Manor School and continued her education in Europe. Mr. Gale's father, the late W. D. Gale, was one of Nashville's leading agents. The son graduated from the University of the South.

C. W. Fort, 78, for 47 years Kansas state agent for the Home of New York, died Nov. 23 at his home in Kansas City. He had been a resident of that city for 42 years. Mr. Fort was connected with the Home except for a period when he served as manager at Kansas City for the North British & Mercantile. He retired from business about two years ago and was given a testimonial dinner.

Edgar J. Tapping, who died at his home in Milwaukee last week at the age of 69, was a former president of the National Association of Insurance Agents. He served in that capacity in 1905. Mr. Tapping was connected with the Tapping & Reideburg agency many years. He was born in New Brunswick, N. J., and his first business experience was with a wholesale leather house in New York City. Later he went to Milwaukee and became an insurance agent. He was prominent in Milwaukee society.

H. S. Atkinson, Columbus, O., local agent, has been elected president of the National Association of Governing Boards of State Universities and Allied Institutions. For a number of years he has been an outstanding trustee of the Ohio State University and he has paid particular attention to the subject of athletics at that institution.

Clinton P. Anderson, well known insurance man of Albuquerque, N. M., is president of Rotary International this year. He was born in South Dakota and was educated in Dakota Wesleyan University and the University of Michigan.

tion, will know how to do this, if he is not prevented by law. Obviously, with corn selling at seven cents a bushel and eggs at eight cents a dozen, he can do little more than furnish food and lodging to his workmen and if his taxes are higher than the amount of cash that he can take off his land he cannot do even this. Of course the difference between seven cents for a bushel of corn and \$1.20 for an hour of a carpenter's time is too great but if there is anything left of American ingenuity and initiative this difference can be cut down.

He became managing editor of the Albuquerque "Morning Journal" and in 1923 became connected with the New Mexico Loan and Mortgage Company. He represents a number of fire and casualty companies and is also general agent of the Occidental Life.

Commissioner Theodore Thulemeyer of Wyoming will be married in Iowa and continue on to the commissioners' convention with his bride.

P. T. Kelsey of Montclair, N. J., former United States manager of the Sun, is up in the Adirondacks at Lake Saranac suffering from an acute attack of bronchitis. Mr. Kelsey was not able to overcome his malady at home and his physician ordered him to another climate.

Elwood S. Thompson, secretary and treasurer of the Camden Fire, is on his honeymoon. Mr. Thompson lives at Collingswood, Pa., and was married to Miss Edna Rudolph. Mr. Thompson was formerly located in Chicago with the western department of the Girard F. & M., when William E. Rollo & Son were managers. He then went to the home office in Philadelphia, being there for seven years. When the Firemen's fleet got control of the Girard, Mr. Thompson connected with the Camden Fire.

Vice-President Sheldon Catlin of the North America is now getting back to his office for a full day's work, although he does not devote the entire time every day to office duties. Mr. Catlin had a long siege of illness, starting with pneumonia. He seemingly recovered and then had an attack of phlebitis which kept him confined to his bed for a long time. He now looks as fit as a fiddle and will soon be ready for all comers.

T. Leaming Smith, marine vice-president of the North America, is on his way to the Pacific Coast. He stopped in Chicago enroute.

A strong movement has been launched in Michigan, supported with equal force by stock and mutual interests, seeking to bring about the retention of Charles D. Livingston as insurance commissioner in spite of the recent Democratic political upheaval. Many agents and company men are using their influence individually in an endeavor to persuade Governor-Elect Comstock that it would be better to leave the insurance department out of partisan politics at this time in view of the uniformly high efficiency of the present department under the administration of Commissioner Livingston who has served nearly six years under two governors.

M. L. Dudley, 80, pioneer Iowa insurance man, died at his home in Des Moines Nov. 26. Death resulted from injuries suffered in a fall Nov. 16 while walking to the office. Mr. Dudley started his insurance career in Mapleton, Ia., in 1882. In 1890 he went to Des Moines as general agent of the New York Life and in 1899 was transferred to the Chicago office of that company. In 1904 he returned to Des Moines to open a general insurance office. He was associated with the Ellis & McKinney Co. at the time of his death, having sold his agency to the Ellis & Holland agency, predecessors of Ellis & McKinney Co.

H. J. Bohmann, 62, assistant secretary of the Northwestern National, Milwaukee, died there Saturday. He was seized with a heart attack just before leaving for his office. He returned to bed and died shortly afterwards. He had been with the company for 42 years.

ALLEMANIA FIRE

Insurance Company

Pittsburgh, Pa.

Incorporated 1868

WESTCHESTER FIRE

Insurance Company

of New York

Organized 1837

UNITED STATES FIRE

Insurance Company

of New York

Incorporated 1824

=

Statement June 30, 1932

Capital\$ 2,000,000.00

Net Surplus 7,997,276.18

Liabilities 13,629,200.96

*Assets 23,626,477.14

*Valuations on New York Insurance Dept. Basis

CRUM & FORSTER

MANAGERS

110 William St.

New York City

=

DEPARTMENT OFFICES

Western Dept.
FREEPORT, ILL.Southern Dept.
ATLANTA, GA.Pacific Dept.
SAN FRANCISCO,
CALIF.Carolina Dept.
DURHAM,
N. C.Allegheny Dept.
PITTSBURGH, PA.**NORTH RIVER**

Insurance Company

of New York

Incorporated 1822

=

Statement June 30, 1932

Capital\$ 2,000,000.00

Net Surplus 6,290,058.01

Liabilities 9,377,059.68

*Assets 17,667,117.69

*Valuations on New York Insurance Dept. Basis

BRITISH AMERICA

Assurance Company

Toronto, Canada

Incorporated 1833

WESTERN

Assurance Company

of Toronto, Canada

Incorporated 1851

RICHMOND

Insurance Company

of New York

Incorporated 1907

SOUTHERN FIRE

Insurance Company

of Durham, N. C.

Incorporated 1923

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Criticizes Builders Risk Form

Cincinnati Attorney Says Word "Building" Makes Contract Subject to Valued Policy Law

J. L. Kohl, Cincinnati insurance attorney, criticizes the uniform standard Ohio builders' risk form for use of the word "building" which, he says, makes the policy subject to the valued policy law in Ohio and thus opens the way to successful suits against the companies. Mr. Kohl says the form would be far safer if it read something like this: "Insuring labor and materials expended upon improvements on this lot to the extent completed at time of fire and in no event in excess of.....thousand dollars."

The practice called for by the rule book when writing dwelling houses in course of construction is still more dangerous for the company because a regular dwelling house form is used with an endorsement giving permission to complete. In Ohio the valued policy law refers to insurance on "buildings or structures." The endorsement on the policy giving permission to complete does not protect the company against the operation of the valued policy law even though the building may be only partially completed.

Nichols Joins C. J. Kepler

Grant W. Nichols has joined the C. J. Kepler general agency of Akron, O., as special agent. He was formerly state agent in Ohio for the Century. The Kepler office represents the American Colony in Ohio and Michigan, the Gulf and Atlantic of Dallas in Ohio.

Three Insurance Legislators

The official roster just issued shows there will be three insurance men in the Ohio legislature at the coming session, in addition to Charles Sawyer of Cincinnati, lieutenant governor, who is a director of the Union Central Life. They are Senator W. H. Herner of Norwalk

and Representatives O. W. Whitney of Sunbury and O. R. Gillogly of Zanesville. Both served in the preceding general assembly. Mr. Whitney also is a newspaper man.

Urges Columbus Improvements

COLUMBUS, Nov. 30.—Charges that the city administration has undermined the efficiency of the Columbus fire department were made this week by M. D. Frank, city councilman. He said he would lead a fight in the council to replace the obsolete equipment. Unless improvements are made, he said, Columbus property owners will be compelled to pay thousands of dollars more in fire insurance premiums.

Ohio Pond Festivities

The Ohio Blue Goose will hold its December dinner dance Monday evening at the Columbus Athletic Club. The dinner begins at 6:30. Harry Zimmerman heads the committee in charge. Other members are: Eugene Gallagher, William Gable, Oscar A. Ogden and David C. Pugh.

The Ohio pond has published a roster of members and officers.

Curry Ohio Farmers Speaker

Roy E. Curry, president of the Inter-Ocean Reinsurance of Cedar Rapids, is to appear before the Insurance Study Club of the Ohio Farmers at the opening meeting of the season, Dec. 5. His talk on reinsurance will be followed by a round table discussion. J. R. Hamilton is president of the club.

Ohio Notes

Ernest Randall, head of the Randall Insurance Agency, Greenville, O., was shot in the right hip while hunting a few days ago.

Donald A. Lewis of Dayton, an inspector for the Ohio Inspection Bureau, died there last week. He was a graduate of Ohio State University and was formerly with the Columbus office of the inspection bureau.

CENTRAL WESTERN STATES

Urged to File Tax Receipts

Action Now by Indiana Agents Will Simplify Issuance of Licenses for 1933

The Indiana agents' license situation, resulting from passage of the law in 1931 requiring all persons applying for a license of whatsoever nature to exhibit receipt for a poll tax, would be eased considerably by the approach of Jan. 1, the final date for filing, if agents would file a poll tax receipt immediately, officials state. Unless the receipt is on file with the department, considerable correspondence will be required, for the department must refuse to license the agent.

The company practice is to send a single application covering a number of agents, with single check to cover the fee. It is pointed out if only one agent in such a group has failed to file his poll tax receipt, the department must return the check and ask for a new one in proper amount. The poll tax in Indiana can be paid semi-annually, the next instalment being due shortly after

the new agents' license year begins. For this reason the department has decided that it will accept receipt showing payment of the first instalment of the poll tax.

Agent Named in True Bill

C. A. Combs, local agent at Findlay, Ill., has been indicted by the grand jury for the United States circuit court at East St. Louis, charged with using the mails to defraud. The allegation is that Combs financed fictitious policies through an insurance premium financing company. Combs represents the National of Hartford and the Hartford Accident.

Several cases of the conduct alleged against Combs have developed throughout the country and it is one of the problems in the insurance premium financing field.

Rating Bureau Situation Changed

LANSING, MICH., Nov. 30.—Many leaders in organized agency circles are conceding that the 1933 legislature will probably place on the statute books an automobile insurance rating law. An

effort to establish a rating bureau, operated by the department but not sponsored by it, was made at the 1931 session but insufficient sentiment in its behalf could be mustered in the face of an aggressive opposition directed by the Michigan Association of Insurance Agents. It is believed that the situation has changed sufficiently in two years to make the prospect for enactment of rating legislation distinctly brighter although there has been no expression on the subject by agents' organizations.

Indiana Insurance Day

While the exact date of Indiana Insurance Day has not yet been decided upon, it will probably be held Jan. 24.

Detroit Office Moved

The Detroit metropolitan department of the North British & Mercantile group, of which P. J. Moriarty is man-

ager, has been moved to 1333 First National Bank building.

Fire Loss Is Corrected

In the article reporting that the Illinois Association of Insurance Agents is petitioning for the retention in office of State Fire Marshal S. L. Legreid, an error was made in recording the fire loss in Illinois for the fiscal years 1931-32. The proper figure is \$15,809,361. This compares with \$27,112,084 in the fiscal year 1925-1926.

Michigan Notes

James McCaren, Port Sanilac, Mich., local agent, died last week. He was a member of the advisory committee of the state accident fund.

The Cartwright Agency, Detroit, has been incorporated by J. D. Cartwright, Mary E. Cartwright and J. D. Pollock and Stanley Foster, Inc., Detroit by W. C. Rowland, M. K. Rowland and Harry Rowland.

STATES OF THE SOUTHWEST

Dallas Licenses Are Canceled

Texas Insurance Board Acts After Two-Day Hearing on Alleged Violations of Law There

DALLAS, Nov. 30.—The state board of insurance commissioners held a two-day session here to investigate alleged violations of the agents' license law. Between 40 and 50 agents were "called on the carpet" on charges which ranged from rebating to promoting over-insurance. These agents and their connections, as well as complaining sources, were questioned closely. It was said the agents declared any violation of the new law was unintentional.

After thorough investigation of the charges statements submitted, Fire Commissioner Mauk announced the licenses of five solicitors and four recording agents in Dallas had been canceled. He said the board had not reached final decision on the cases of some 15 other Dallas agents. The recording agents whose licenses were canceled are J. O. Carter, J. M. Hicks, J. M. Scales Company and J. B. Cranfill Insurance Agency.

The commissioner said as a result of the Dallas hearing the license of one recording agent and 21 solicitors' agents were voluntarily surrendered, in addition to those canceled by the board and those whose cases are pending.

Regional Meeting for Tulsa

First of Series Planned by Oklahoma Association to Be Held There Dec. 16

TULSA, OKLA., Nov. 30.—The first of six regional meetings of the Oklahoma Association of Insurers will be held in Tulsa Dec. 16. The Tulsa association will be host to the out of town members, and has attempted to prepare a program which will be of particular interest to the agents from the smaller communities who have given such valuable support to the state association. It will be sufficiently diversified to keep the interest maintained. All addresses will be limited to 15 minutes, followed by a short general discussion. There will be no charges or fees of any kind, and lunch will be but 50 cents. This lunch will be held jointly with the regular meeting of the chamber of com-

merce, which will be in charge of the insurance men.

The main luncheon address will be given by J. F. Owens of Oklahoma City, president and general manager of the Oklahoma Gas & Electric Co. Mr. Owens presided at the recent joint luncheon at Oklahoma City of the state association and the Oklahoma City chamber. His conduct of that meeting made a big hit with the Tulsa representatives who were there, and they therefore secured him for the meeting here.

Proposed legislation will be discussed, notably the proposed compensation and agency qualification laws. Discussion will of necessity be brief, but it is hoped that those attending may be made sufficiently familiar with these proposals so that they can approach the members of the legislature from their districts and enlist their support. The Tulsa association has invited its representatives and senator to meet with it Dec. 13 for a discussion of these important matters.

Procedure in Granting Oil Drilling Permits Changed

OKLAHOMA CITY, Nov. 30.—A new phase of the oil drilling situation in Oklahoma City was created when the city council, at a recent meeting, practically threw open the city oil zone to townlot drilling by passing an amendment to the drilling ordinance. The amendment permits drilling wells on plots of less than 2½ acres where they have been left out in community leases in the platted areas of the city, and within 50 feet of the adjoining property. The amendment is said to have been granted to allow W. C. Kite to drill on 1.2 acres along Phillips avenue between the Rock Island and Katy tracks, in an area sufficiently remote from the heavily built up section of the city to avoid creating any additional hazard.

Heretofore the procedure has been to apply to the city board of adjustment for drilling permits on these small tracts and then appeal to district court which has permitted them on the ground of equity. The new amendment is said to sweep this safeguard aside.

A fight to have the city council reconsider the amendment is being instituted and unless the action is rescinded at the next council meeting, it is believed circulation of petitions calling for a referendum vote on the ordinance

LOYALTY GROUP

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d Vice Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$ 9,397,690.00

Organized 1855

NEAL BASSETT, Chairman of Board
 HENRY M. GRATZ, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

NEAL BASSETT, Chairman of Board
 W. E. WOLLAEGER, President JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres.
 H. R. M. SMITH, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

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 NEAL BASSETT, Vice President
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U. S.—Statement June 30, 1932

ASSETS	\$12,696,720.29
PREMIUM RESERVE	1,902,061.44
OTHER LIABILITIES	623,639.44
VOLUNTARY CONTINGENT RESERVE.....	2,125,662.41
SURPLUS (June 30, 1932, Valuations).....	8,043,357.00

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amendment will be started. Citizens' groups will probably continue preparations for a court fight to have the new amendment declared illegal. Pending further consideration of the question by the city council, granting of permits for drilling on any tracts smaller than 2½ acres are being held up.

Easley Agency Will Merge with Cravens, Dargan & Co.

DALLAS, Nov. 30.—The George M. Easley Co., general agency of Dallas has been consolidated with Cravens, Dargan & Co. of Houston, Tex. The move, according to Mr. Easley was due to present economic conditions, which make it impossible for a small general agency to exist. Both Mr. Easley and his son Gilbert will become affiliated with Cravens, Dargan & Co.

"Uncle George" Easley is one of the best known men in the insurance business in Texas. His insurance career commenced 35 years ago with Hays Bros. general agency in Waco, Tex. In 1916 Mr. Easley bought the Smith-Cochran general agency in Dallas, at which time it became known as the George M. Easley Co., and has continued under that name until the present.

Mr. Easley has always been an ardent worker for the improvement of the insurance business. For many years he has been a familiar figure at Austin during sessions of the legislature and has taken an active part in opposing hostile legislation or promoting measures which would be in the interest of insurance.

Regional Meet at Port Arthur

The third regional convention of the Texas Association of Insurance Agents in Port Arthur last week was attended by W. A. Tarver, chairman state insurance commission; W. S. Pope, casualty commissioner; R. S. Mauk, fire commissioner; A. D. Langham, state president, and D. G. Foreman, state secretary.

The delegates declared in favor of a license law for automobile drivers, urged greater cooperation with city officials in fire prevention, and emphasized participation in safety campaigns to cut down liability rates. R. C. Greeves, regional vice-president, Beaumont, presided.

The regional meet for the San Antonio district will be held Dec. 7.

Exhibit at State Fair

The Beaumont Insurance Exchange, for the first time, had a display at the South Texas State Fair, which has just closed its 1932 exposition. The display showed a burned building, auto acci-

dents involving both personal injury and property damage, falling aircraft, and throughout the exhibit were miniature billboards calling the attention of the public to various phases of insurance with emphasis on stock companies.

Most of the work of preparing the exhibit was done by members of the exchange and the cash outlay was small.

Would Extend Qualification Law

TULSA, OKLA., Nov. 30.—At the request of the Life Underwriters Association of Tulsa, the draft of an agents qualification law prepared by the Oklahoma Association of Insurers has been revamped so as to include all agents, life as well as fire and casualty. Life insurance has been perhaps more affected by the part-time agent than have other lines. R. W. Branch, secretary of the Tulsa Fire & Casualty Association, has been asked to speak on this matter before the Tulsa life underwriters.

MacLaughlin's Hat in Ring

Guy MacLaughlin, manager at Houston for the Franklin Life of Illinois, has thrown his hat in the ring for the post of insurance commissioner in Texas. Mr. MacLaughlin has been active in the affairs of the National Association of Life Underwriters and has many friends in the business throughout the country. The Houston Association of Life Underwriters has adopted a resolution endorsing Mr. MacLaughlin's candidacy. The Texas Association of Life Underwriters a few weeks ago adopted a resolution memorializing Mrs. Ferguson, the governor-elect, to appoint as chairman of the board of insurance commissioners of Texas a man qualified as a life underwriter. Mr. MacLaughlin's banner, therefore, reads: "An Insurance Man for an Insurance Job."

August Zintgraff Dies

August Zintgraff, well known independent adjuster of Dallas and former field man, died in that city at the age of 73. He was special agent and adjuster for the Continental for 15 years. In 1921-22 he was manager and adjuster for the American Foreign Insurance Association in Chile. Since then he has been an independent adjuster.

Jack Frazier Transferred

Jack Frazier, special agent of the Firemen's group, Abilene, Tex., has been transferred to San Antonio and will have charge of south Texas.

Harold Choate, special agent of the Springfield Fire & Marine in south Texas, is the proud father of a girl born last week.

IN THE SOUTHERN STATES

Kentucky Field Club Elects

R. L. Meeks, Fidelity & Guaranty Fire, Named President at Annual Meeting in Louisville

LOUISVILLE, Nov. 30.—The Kentucky Fire Underwriters Association at its annual meeting here elected R. Leland Meeks, Fidelity & Guaranty Fire, as president, succeeding R. B. Trigg, Rochester American. A. T. Coates, National Union, became vice-president and Paul C. Grider, North British fleet, was reelected secretary-treasurer. On the executive committee are Mr. Trigg, who becomes chairman; J. W. Bethel, Globe & Rutgers; J. V. Bowman, Fire Association; J. E. Chittenden, North America group, and J. G. Galloway, North British, and E. C. Knoop, Aetna, holders.

H. W. Chesley, assistant secretary Western Underwriters Association, Chicago, spoke on cooperation as between companies and the field men and H. C.

Wilbur, public relations counsel, talked on public relations of companies and field men with the public.

Retiring President Trigg was presented an oriental rug and a walking stick.

The Kentucky Blue Goose held a dinner dance the evening of the meeting.

The Kentucky Association of Insurance Agents executive committee, meeting the same day, discussed plans for a membership drive.

S. C. Tax on Gross Premiums Is Upheld by High Court

The South Carolina supreme court has decided that deductions may not be made for return premiums or reinsurance in calculating the additional 1 percent premium tax in that state, imposed by legislative act in 1931. The court held that this is a matter of legislative policy and not one to be determined by the court. The Hartford Fire and Home of New York were interested in the

Before and After Taking



BALIE C. GROSS
Before Taking



BALIE C. GROSS
After Taking

Balie C. Gross of Nashville, the new president of the Tennessee Association of Insurance Agents, appeared at the annual meeting with less hair on his head than before. His photo taken before that showed him with a fine out-

cropping of hirsute growth. The papers therefore were not prepared to present him as he is now. However, in this issue Mr. Gross before and after taking, so to speak, is presented. He now appears with a glistening dome.

suit, which was brought to get a construction of the act. The companies began action in the United States district court to have the statute construed, but a stay of proceedings was granted the commissioner pending determination of the issue in the state court.

If deduction were allowed for reinsurance, the court said a company might evade much or all the taxes due the state by arranging to reinsure all property insured in the state.

Appeal to the United States Supreme Court is not denied if a federal question is involved.

Douglas Heads Exchange

MONTGOMERY, ALA., Nov. 30.—Hartwell Douglass was reelected president of the Montgomery Exchange at the annual meeting last week. P. M. Nicosi was elected vice-president and S. H. Cochran, secretary-treasurer. Directors are Arthur Mead, J. M. Harrison, Maxie Pepperman, Carl Wilson and Sylvain Baum.

Cover Kentucky State Buildings

FRANKFORT, KY., Nov. 30.—Contract for insurance totaling \$2,320,000 on the new and old capitol buildings,

the governor's mansion, power plant and the old mansion has been let by the sinking fund commission. The contract is for a period of three years, the same as in the past, but it was not awarded in a lump sum, each member of the commission being given the right to let one-fifth the total amount.

Name Alabama Adjustment Committee

As members of the committee to cooperate with the Fire Companies Adjustment Bureau, the Alabama Field Men's Association has designated R. C. Patterson, Commercial Union (chairman); E. C. Darling, Aetna, and F. O. Hawkins, Phoenix of London.

Kentucky Notes

J. H. Harrison, independent adjuster, Louisville, was taken to a hospital there with a broken shoulder as a result of a fall at his home.

The Medley Insurance Agency, Owensboro, Ky., has been incorporated by William Medley, B. F. Medley and H. E. O'Bryan.

The Richmond, Va., local agencies of Munson & Co. and R. S. Cottrell have merged as Cottrell & Munson with Mr. Cottrell as president and H. H. Munson as secretary-treasurer.

ON THE PACIFIC COAST

Ask Haid to Speak on Coast

Fire Underwriters of Pacific Plans Annual Meeting Program—Various Groups to Be Represented

SAN FRANCISCO, Nov. 30.—Paul Haid, president Insurance Executives Association, has been invited to be the principal speaker at the annual meeting of the Fire Underwriters Association of the Pacific here Feb. 7-8. President J. H. Martin's program for the meeting is based upon the theme of "lessons from the past two years," and will feature the reactions and observations of general agents, company executives, managers and heads of various organizations.

Arthur M. Brown, president Edward Brown & Sons, will represent the general agent; A. G. Westcott, president Insurance Buyers Association of San

Francisco, will explain the position of the buyer; Kennett W. Withers, manager of the Pacific Coast branch of the Fire Companies Adjustment Bureau, will speak on the lessons derived from the depression by adjusters; Percy H. Goodwin, former president National Association of Insurance Agents, will present the agents' viewpoint and Carl N. Homer, special agent, will describe the situation as seen by the man in the field.

In addition to these "theme" speakers President Martin has announced that the following will also appear: C. W. Jones, marine manager Swett & Crawford general agency; Walter Van Orden, manager Pacific Factory Insurance Association; William T. Barr, Pacific Coast automobile manager Crum & Forster; Ariel Harris, aviation underwriter; Joseph Froggatt, auditor; Dean H. F. Grady, college of business Univer-

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sity of California; W. G. Rich, assistant manager Liverpool & London & Globe, and H. M. Carmichael, Oil Association.

Clear Through Portland Office

PORTLAND, Ore., Nov. 30.—Washington and Oregon, which formerly reported through San Francisco, will now clear through the Portland branch office of the National Liberty and Southern Fire. W. B. Rasmussen, state agent for the Home of New York fleet, has charge of the northwest branch here.

Announce Coast Appointments

Staff appointments announced by K. W. Withers, general manager of the Pacific Coast department of the Fire Companies Adjustment Bureau, include those of L. A. Kent as automobile adjuster attached to the Yakima, Wash., office, and F. F. Matson as automobile adjuster connected with the Butte, Mont. branch.

Seeley Gets Standard Marine

Seeley & Co. of Seattle has been appointed Pacific Coast general agents for the Standard Marine, which writes fire, automobile and miscellaneous lines. Seeley & Co. has offices in the principal cities of the Pacific Coast.

Van Orden Permanent Manager

SAN FRANCISCO, Nov. 30.—Walter Van Orden, who came to San Francisco six months ago as temporary manager of the new Pacific Factory Insurance Association, has been appointed permanent manager. He was for 12 years with the Factory Insurance Association of Hartford and came to the coast to start the new organization functioning.

Mr. Van Orden has just recently returned from a week in southern California where he contacted a number of agents interested in the new facilities offered them by the 123 stock fire companies comprising the membership. Mr. Van Orden reports that while there appears to be some opposition to the association from agencies which have been led to believe that the organization would compete with member company agencies, the increasing volume of business from most of the state's leading agents indicates a successful operation.

Consider Admitting Non-Boarders

DENVER, Nov. 30.—At the monthly luncheon of the Denver Association of Insurance Agents, the question of admission of non-association company agents to its ranks was referred to the executive committee with the request that it consider the subject and bring in recommendations for approval by the organization as a whole. Arguments for and against the proposal were presented.

A membership drive was outlined and adopted, and will reach a climax at the annual meeting in December. A special program will be arranged to speed up the drive.

Coast Offices Combined

Pacific Coast offices of the Liverpool & London & Globe and the Globe Indemnity have been consolidated with the Royal, Queen, Newark, Capitol and British & Foreign in the Royal Insurance building, San Francisco. Considerable alterations were necessary to accommodate the Liverpool's large organization.

Britt Seriously Injured

SAN FRANCISCO, Nov. 30.—M. L. Britt, Pacific Coast investigator of the National Theft Bureau, who is credited with breaking up more than a score of auto theft rings and with capturing or aiding in the capture of a number of dangerous outlaws, is confined to St. Mary's Hospital in San Francisco as a result of an automobile accident. Mr. Britt was seriously injured and visitors

have been denied him until further evidence of his possibility for recovery is determined by the surgeons.

Newman Succeeds Glover

Frank S. Glover, special agent at Portland, Ore., for the National of Hartford and Columbia Fire Underwriters, covering Oregon, has resigned. J. G. Newman, special agent at Phoenix for the National, will succeed him.

The Oakland puddle of the San Francisco Blue Goose will hold a banquet and election of officers in Oakland Dec. 2.

Eastern States Activities

Churches Protest Fire Rates

Exception Taken to Disparity in Scale Between Eastern and Western Pennsylvania

PITTSBURGH, Nov. 30.—The Presbyterian, Methodist Episcopal and United Presbyterian churches of the Pittsburgh district, supported by the Catholic Insurance Commission, have filed a protest against fire insurance rates in western Pennsylvania as compared with those in the eastern part of the state. The Catholic Commission says Seton Hill College at Greensburg pays \$6.30 per thousand for protection while similarly constructed buildings at Villa Nova near Philadelphia are covered for \$3.

It is complained that the rate is \$9 per thousand for a brick church in a town without fire protection in western Pennsylvania, outside Allegheny county, as compared with a rate as low as \$3.60 for the same type church in a similar community in the eastern part of the state.

J. H. Bonney of Pittsburgh, assistant secretary of the Middle Department, declined to discuss the matter, referring all questions to Secretary Louis Wiederhold in Philadelphia. Several years ago Allegheny county received a reduction in rates, but this was not extended to surrounding counties.

Opens Adjusting Office

H. Vincent Phillips has opened an adjusting office at 200 Franklin street, Boston, and will handle fire losses for the companies only in Massachusetts. Mr. Phillips has been in the fire insurance business 25 years. He traveled for the Svea and Hudson in New England for eight years.

J. Arneth Resigns Field Club Post

NEWARK, Nov. 30.—Due to the fact that Joseph Arneth, special agent for the Phoenix of London, has been transferred to eastern Pennsylvania, he has resigned as president of the South Jersey Field Club. The club members are making elaborate preparations for their annual entertainment in January. Invitations will be sent to all of the field clubs in Pennsylvania, New Jersey and New York.

Shortage Is Revealed

Commissioner Dunham has announced that a shortage has been found in the account of Louis M. Hastings, auditor in the Connecticut department. The shortage was noted during a recent absence of Hastings and a special audit was made.

"Louis M. Hastings, an auditor of the Connecticut insurance department for the past four years, has resigned," Mr. Dunham stated. "His accounts are being audited and the audit has progressed far enough to reveal that the shortage will not exceed \$1,000. The Century Indemnity, which bonded Mr. Hastings,

has indicated that it will indemnify the state in full."

Hold Fire Safety Conference

A conference on fire safety for the home and in the school will be held Dec. 2 in Newark under the auspices of the Newark Safety Council. T. Alfred Fleming, conservation supervisor of the National Board, will be the principal speaker.

Thomas F. Walsh Dies

Thomas F. Walsh, head of the Walsh-Hurley Company agency of Bridgeport, Conn., was stricken at the

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wheel of his car and died supposedly of a heart attack. He was driving and either was stricken and lost control of the car, which was wrecked, or the collision occurred first and the heart attack followed.

Becker Heads Buffalo Agency

Max Becker has been elected president of the Gurney, Overturf & Becker agency, Buffalo, N. Y. He succeeds Charles L. Gurney, who resigned to become president of the Buffalo Savings Bank.

Eastern Notes

The Standard Adjustment Corporation has been incorporated at Bayonne, N. J., by Bernard Moss, Irving Burns and I. F. Miller.

L. A. Linscott of the Hinckley & Woods general agency in Boston died last week. He began his insurance career with the old India of Boston and went with Hinckley & Woods 27 years ago.

Secretary Hoagland of the National Automatic Sprinkler Association and Assistant Managing Director Bugbee of the National Fire Protection Association held a conference in Plainfield and East Orange, N. J., on the question of excessive sprinkler charges imposed by the water utilities in the northern part of the state.

Motor Insurance Events

Issues Newspaper Auto Policy

Milwaukee "Leader," Socialist Daily, Announces New Arrangement with Workmen's Mutual of That City

MILWAUKEE, Nov. 30.—The Milwaukee "Leader," Socialist daily, has arranged with the Workmen's Mutual of Milwaukee to provide its readers and subscribers with full coverage automobile insurance, including public liability and property damage "at practically cost." This insurance offer is claimed to be the first of its kind ever made by any newspaper. It is offered on a quarterly payment plan.

The announcement states that the excess liability on all policies issued is automatically reinsured in the General Reinsurance.

The Workmen's Mutual issues life memberships for an initial payment of \$15 and charges a lower premium for the automobile insurance. H. L. Ekern, former Wisconsin commissioner, is its general counsel. T. M. Duncan, secretary to Governor La Follette, has been president and Olaf Johnson, secretary-treasurer and general manager.

MARINE NEWS

Question Premium Reduction

Some Underwriters Doubt Wisdom of Minimum Action on Personal Jewelry Policies

While the reduction from \$30 to \$10 in the minimum premium for jewelry policies, which under a decision of the Inland Marine Underwriters Association will become operative Dec. 1, will undoubtedly increase the sale of the coverage, some underwriters are inclined to question the wisdom of the move from a profit-producing standpoint. The minimum premium now called for has proven not only sufficient to cover the hazards involved, but has yielded a neat return to the carriers. Whether this will result under the reduced charge is a question that can be determined only after 12 months' experience is secured.

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FINANCIAL STATEMENT

January 1, 1932

ASSETS

Cash	\$ 249,914.67
*Bonds and Stocks	4,195,115.26
Balances Due from Companies	542,942.58
Accrued Interest	28,269.39
	<hr/>
	\$5,016,241.90

LIABILITIES

Premium Reserve	\$1,800,317.27
Loss Reserve	329,104.00
Balances Due to Companies	161,543.09
All Other Liabilities	16,000.00
Reserve for Security Values (Voluntary, not required)	450,000.00
Capital	\$1,000,000.00
Net Surplus	1,259,277.54
Surplus to Policyholders	2,259,277.54
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	\$5,016,241.90

*Insurance Commissioners' Valuations.

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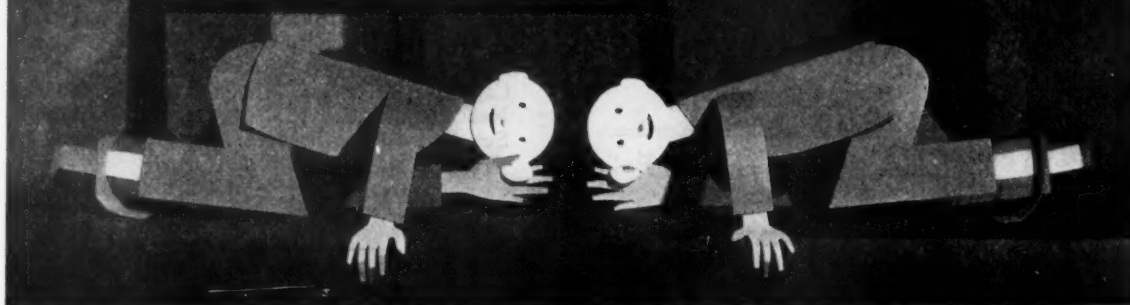
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Our ears are to the ground



How do these men who are selling accident insurance, sell it? What do they say to overcome the objection "I can't afford it."? How do they bring out the need for a guaranteed income in the event of disability? You can't find answers to these questions originating in any Home Office. But we have our ears to the ground. . . . The men on the firing line have been saying things and we've been listening. What did they say? You'll find it in the current issue of The Employers' Pioneer. There are other articles concerning the new personal accident policies of The Employers' Group. There's a bit of the Christmas Spirit in it too, with colored illustrations that we'll bet dollars to doughnuts

the folks at home will like to see. . . . The Employers' Pioneer is the monthly house organ of The Employers' Group. We will be glad to place your name on the mailing list at absolutely no

cost to you. We will be glad to send you back copies, as long as they last, concerning bonding, steam boiler, collections and other kindred subjects. . . . Our ears are to the ground. We learn that there are still several agents who have been fattening their purses to the bulging point by an intelligent drive for personal accident business. How do they do it? Read The Employers' Pioneer. . . . Just write the Publicity Department, 110 Milk Street, Boston. We wish you a Merry Christmas in the current issue. We'll make use of the few remaining lines in this advertisement to wish you a Happy and Prosperous New Year.

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The National Underwriter

December 1, 1932

CASUALTY AND SURETY SECTION

Page Twenty-three

Glass Rates Go Up For Chicago Dec. 1

Increase Said to Average 20 to 25 Percent—Zone 2 Is Especially Affected

ELIMINATE 50-50 FORM

Program of New Bureau Approved by Companies—National Bureau Drops Equity Rating

Plate glass premiums in Cook county, Ill., will go up substantially Dec. 1 as a result of approval by the so-called eastern liaison committee of the proposal made recently by the Cook County Plate Glass Insurance Bureau. The 50/50 policy is to be discontinued on new business Dec. 1 and on renewals Jan. 1, after which time members of the Cook county bureau will be prohibited from writing it. The bureau plan, however, contemplates no penalty for violation. The rate rise is said to average 20 to 25 percent.

Much of the increase occurs in the zone 2 territory which includes the better risks. The increase there is 12½ percent on plates under 50 square feet area and 37½ percent on plates of 50 square feet or over.

Zone 1 Rates Also Go Up

In zone 1 most of the business will go up 16 percent in rate on plates over 50 square feet, but on plates smaller than that the rate remains the same. It will be recalled subscribers to the Moore Rating Bureau of New York City have been writing zone 1 risks at 60 percent credit, whereas members of the plate glass department of the National Bureau of Casualty & Surety Underwriters were permitted a maximum of only 20 percent credit for these risks. This hiatus between members of the Cook county bureau who are also members of either of the two eastern bureaus, now is said to be satisfactorily bridged.

Equity Rating Abandoned

The liaison committee approved a proposal to make permissible three-year policies on dwellings only, containing not more than two families, but the rule that mercantile risks shall be written for no more than a one-year term remains unchanged, save that the policy may be extended to cover for not more than six months of the ensuing year pro rata. Premium for policies issued for a term less than one year must be computed at the customary short rate. This rule does not apply to dwelling risks.

The liaison committee also approved a provision in rules and regulations of the Cook county bureau which prohibits equity rating. This method is being discontinued by the National bureau, which adopted it as a competitive measure some time ago.

(CONTINUED ON LAST PAGE)

Convert Many Old A. & H. Policies to Newer Forms

TWO MAJOR CHANGES MADE

Reduction in Principal Sum and Restriction on Permanent Disability Payment Offset

NEW YORK, Nov. 30.—Considerable headway is reported by accident and health managers in getting their policyholders with older forms of accident coverage to convert at renewal to the new uniform type which has been adopted by many companies that are members of the Bureau of Personal Accident & Health Underwriters.

The medical reimbursement feature is the inducement in these cases. When the new standard form was adopted it was not proposed to force old policyholders to accept it. However, the reduced principal sum and other items of reduced liability under the new form made it desirable to obtain converts among the old policyholders where possible. The privilege of covering all medical, nursing and hospital expenses up to \$500 per \$5,000 of principal sum is usually enough to offset the lowered principal sum and somewhat less liberal provisions of the new form.

Change in Principal Sum

The reduction of the principal sum from \$7,500 to \$5,000 is usually not of prime importance to the policyholder. He generally has life insurance in a sufficient amount so that the 33⅓ percent reduction in his accident death benefit is not an important item. The change in the total permanent disability clause, which is the other important alteration in the new form, is not such as to cause the average policyholder to balk at accepting that form.

While the latter pays for only 52 weeks for "his" occupation and for life only for incapacity for "any" occupation, as against the former type paying for life for "his" occupation, the insured is not likely to think in terms of technicalities. As a matter of fact, the courts in a number of states have still to decide what constitutes total permanent incapacity to perform "any" occupation. While the liability on this point may not be reduced by the new disability clause to the extent that the companies would like, yet it is believed that the revised wording will go far toward cutting down the number of cases in which a company is obligated to pay a life annuity to a man who is only technically incapacitated and is making perhaps more money in his new occupation than he did in his previous one.

Dubious About Reimbursement

Many accident and health men, even in the companies which have adopted the new program, are frankly afraid of the possibilities of the medical reimbursement feature, however. While those companies which have had it for some time say their experience with it has been satisfactory, others believe that the time has been too short to give a reliable indication of the eventual result.

Some fear that experience with the

(CONTINUED ON LAST PAGE)

F. P. Stanley Resigns from the Glens Falls Indemnity

JOINS LLOYDS OF AMERICA

Becomes Vice-President and Superintendent of Agents with Julius Barnes' Company

F. P. Stanley has resigned as vice-president and general manager of the Glens Falls Indemnity and has been elected vice-president and superintendent of agents of the Lloyds Insurance Company.

This announcement was made by Julius H. Barnes, chairman of the board of Lloyds. He is assuming his duties immediately.

Mr. Stanley has been with the Glens Falls Indemnity for the last five years.



F. P. STANLEY

Previous to that he was vice-president and superintendent of agents of the Norwich Union Indemnity. He was educated at Cornell and the University of Michigan. He started in insurance with the Travelers at its head office and was at one time in charge of the company training school for agents.

R. F. C. October Loans

The Southern Fidelity & Surety of Durham, N. C., is the only casualty company to receive authorization for a Reconstruction Finance Corporation loan in October. Loans were granted to seven life insurance companies. There were no fire companies on the list. Authorization of \$5,000 was made to the Southern Fidelity & Surety but it had not been called for up to Nov. 14.

Capital Cut Proposed

Capital of the First Reinsurance of Hartford will be reduced from \$800,000 to \$500,000 by canceling a sufficient number of outstanding shares. The difference of \$300,000 will be transferred to surplus. The First Reinsurance is a member of the Rossia group and except for qualifying shares, it is owned completely by Rossia International.

New Occupational Disease Plan Out

National Council Makes Program Effective Dec. 31 in Non-Regulated States

MICHIGAN FILING FIRST

Modifications Provided Where Hazard Is Covered by State Laws or Commission Rulings

The first filing of a new occupational disease program worked out by the National Council on Compensation Insurance, which is to become effective Dec. 31 in all non-regulated states, has been made by the council in Michigan. The new Michigan schedule also includes a flat increase of 16.9 percent over compensation rates now in effect in that state and a further slight increase to cover occupational disease claims arising under Clause B1 of the standard workmen's compensation policy.

The occupational disease program is something entirely new in casualty insurance. It comes as the result of long study by committees of the National Council. The chief diseases occurring in the course of work are named in a schedule. They are silicosis, asbestosis, lead, chrome, anthrax, benzol, mercury, caisson disease, radio-active substance, and diseases not otherwise classified.

Increase Based on Hazard

The average increase for occupational disease claims is distributed among various classifications in accordance with the hazard found in each. Accompanying the filing is an exhibit showing the classifications of the corresponding occupational disease hazard weight in determining the specific loading. For the classifications included in the list there is a basic occupational disease loading of 1 cent per unit of hazard weight. For all other classifications 1 cent has been added to the rate as heretofore determined. The revised rates and minimum premiums are to be applied to all new and renewal policies issued in all non-regulated states to be effective on and after Dec. 31.

Modifications for State Laws

The hazard rates begin with 2 and run to 100. In the highest bracket is flint or spar grinding; silica grinding. Silicosis is given as the occupational disease. Other very high weight hazards are stone cutting and polishing, where the hazard rate is 90. Red or white lead manufacturing, where lead poisoning is incidental, has a rating of 72. Dry battery manufacturing is placed in the lowest brackets of hazard weight. It has a weight of 2. Lead poisoning is incidental to this work. However, there are batteries made without lead, and for

(CONTINUED ON LAST PAGE)

Reserves Replace Insurance in Unemployment Coverage

DIFFERENT ATTITUDE NOTED

Recognize Impossibility of Amassing Funds Sufficient to Carry Industry Through Major Depression

NEW YORK, Nov. 30.—Unemployment insurance has been a subject of much thoughtful discussion at important meetings in recent weeks. The American Federation of Labor, the American Association of Manufacturers, the Casualty Actuarial Society, to name a few, have given it an important place on their programs.

There is however, an important difference in the attitude toward unemployment insurance from what prevailed a year ago at meetings of those interested in the problem of unemployment. This difference is the interpretation of the word "insurance."

Considered on Same Basis

Previously it was considered by many learned persons that unemployment insurance could be written on much the same basis as any other kind of insurance. There was much vague talk about an "actuarially sound" basis, although the actuaries themselves pointed out the impossibility of determining reserves needed for any but the most limited duration of unemployment.

"Unemployment reserves" is the modest term which seems to be taking the place of the more all-embracing unemployment insurance. Recognizing the practical impossibility of amassing reserves sufficient to carry industry through a major cyclical depression, proponents of unemployment prevention are concentrating on unemployment reserve funds which do not "insure" anything but bear somewhat the same relation to unemployment insurance as a savings account bears to insurance in general.

Abandons Idea Entirely

The Wisconsin plan, for example, abandons the idea of insurance entirely. The first state plan to become a law, its object is more to regularize employment by the threat of having to pay benefits than to indemnify labor for its idle time.

To judge from the reactions of nearly all insurance companies, unemployment insurance, even at its best, is something they would just as soon not be mixed up in. They are undoubtedly glad to see the diminishing emphasis on the "insurance" angle of unemployment insurance.

Louisville Election Dec. 2

LOUISVILLE, Nov. 30.—The Casualty & Surety Association of Louisville will hold its annual meeting Dec. 2. The nominating committee has presented two sets of nominees: For president, J. M. Morris, American Bonding, and W. A. Reisert, Reisert Insurance Agency; vice-president, K. L. Nordyke, Travelers, and Culver Vaughan, Vaughan Insurance Agency; secretary-treasurer, Eugene Fields, Aetna Casualty and G. D. Detwiler, William Detwiler & Co.

Writing Passenger Buses

M. F. O'Brien of Easton, Pa., general agent of the Independence Indemnity, is giving almost all his attention to handling the insurance of passenger bus lines. Mr. O'Brien probably has more business of this character than any other person. He studies the offerings very carefully and makes his selection. Mr. O'Brien's business has been conducted on a very satisfactory loss ratio. He now has service offices in Philadelphia, Baltimore, Newark, Pittsburgh and has just opened one at Columbus, Ohio.

General Chairman



GEORGE EDGAR TURNER

President George E. Turner of the First Reinsurance of Hartford again assumes charge of arrangements of Connecticut Insurance Day, to be celebrated in his city Dec. 15. Mr. Turner is a master hand in such activities. He has a wide acquaintance among insurance people of all departments.

Little Change in Auto P. L. and P. D. Rates Anticipated

NEW YORK, Nov. 30.—The understanding is here that the automobile liability and property damage rate program for 1933 has been virtually decided upon. The report is that rates will not be materially changed next year, although many executives feel that the automobile rate level is not yet adequate. An attempt will be made to promulgate the rates earlier next year. However, such an attempt has been made every year but the authorities have never yet been able to get the program out as of Jan. 1.

Plane Guest Suit Decided in Owner's Favor in Chicago

Only through wanton negligence amounting to recklessness can the owner of a private airplane, not used for hire, be held responsible for the injury or death of passengers, Judge Joseph B. David ruled in the Cook county superior court in Chicago last week, in suit brought by B. L. Bird growing out of the death of his wife in 1929 in the crash of a plane owned by A. E. Louer, her brother.

"When a carrier for hire is negligent at all, then the negligence might be construed as willful and wanton, which is necessary to obtain damages, since a carrier for hire in a plane has to show far more care than even a railroad or bus line," Judge David ruled. "But in this case the woman passenger was taking a ride for fun. When that is true the passenger takes a chance on what is going to happen, except for very obvious, willful, and wanton negligence, which would amount to recklessness."

Judge Is Des Moines Speaker

DES MOINES, Nov. 30.—At Monday's meeting of the Casualty & Surety Club of Des Moines, Municipal Judge Ralph Powers spoke on "Observations from the Bench." President Kenneth G. Ellsworth announced that the Dec. 12 meeting will be the annual Christmas party.

Coin Exchanges Proving Bad Risks for Many Companies

UNUSUAL HAZARD IS FOUND

Exposure in Outlying Neighborhoods and Lack of Special Rate Make Line Costly

Coin exchanges, which have sprung up all over the country as the result of bank failures, because of the pressing demand from merchants for some medium of the sort, are proving a very serious problem to the companies. As a rule they are not so carefully protected as a bank, and yet they may carry many thousands of dollars cash. For this reason they are becoming more and more targets for holdup men.

Heavy Losses in Chicago

This has been particularly true in Chicago where crime is highly organized. A \$2,200 loss occurred there recently and nearly every day a loss of some sort is reported from a coin exchange. Most companies are unwilling to write these exchanges at any price because of the difficulty of getting proper protection and the unusual hazard. This is particularly so since no especial classification has been made for these exchanges, but they are written on the regular inside and outside holdup forms for business establishments. The rate for this form in Chicago is \$16.50 per \$1,000, which underwriters see as hopelessly inadequate.

Special Desk a Benefit

One type of protection for these exchanges is believed by a veteran underwriter to be practicable. It is a special type of money desk in combination with a small safe or vault carrying a time lock which may be set to open in 15 minutes. The money drawer has one compartment for bills and is supposed to contain only \$50 to \$75. Other compartments are reserved for the remaining cash on hand.

In case of a holdup, the drawer is pushed in by a clerk, when the money in the back compartment is dumped through a slot into the safe. In case a customer calls for more money than the clerk has on hand in the front compartment, the customer is told to return in 15 minutes and the time lock on the safe is set for that period. When the customer returns the money has been taken from the safe and is available, and the safe again is locked.

Gas systems appear to be not very efficacious against these quick holdups. In some cases the holdup men have operated right through the gas attack. Guards employed by many coin exchanges, according to underwriters, are not thoroughly sold on the proposition of risking their lives against overwhelming numbers of vicious men for small salaries.

Some Located in Bank Quarters

There is a superior type of currency exchange, however, which is appearing to be a fairly good risk—one located in the quarters of a defunct bank.

One thing to watch out for on these risks, according to underwriters, is protestations of the proprietors that they are not operating a currency exchange. Many of them have been unable to get insurance, and some of them, rather than go unprotected go so far as to make an outright denial that they are in this business.

A currency exchange is a nice set up for the bandits, for there is on hand usually \$1,000 to \$1,500.

Most of them are in outlying neighborhoods where police protection is not so concentrated as in larger business centers, and where the robbery and get away are simple for gangs working at top speed.

Bank Experience Justifies Higher Rates on Robbery

NEW YORK, Nov. 30.—A study of bank robbery loss experience would make those agents who are inclined to criticize the recent increase wonder why it wasn't even greater. All companies writing this line have suffered heavily and there is no prospect of a decrease in bank robberies until economic conditions improve. In an effort to more equitably determine bank robbery rates, the National Bureau of Casualty & Surety Underwriters in June, 1930, divided the country into two territories, one embracing the New England and the north Atlantic states, and the other the balance of the country. Despite this segregation of fields and its accompanying rate advance, the loss experience was still excessive, necessitating the further radical change in the rate structure made operative two weeks ago.

While bank robberies in the main occur in the smaller towns where police protection is restricted, they are by no means confined to such communities, as witness holdups that have taken place in centers of considerable population of late, notably at Beloit, Wis., where \$72,000 was stolen; at Davenport, Ia., where the loot was \$38,000 plus \$18,000 secured from the same institution a short time later, and at Grand Island, Neb., where a local bank was "touched" for \$80,000; all institutions being covered by insurance. A few cracks of this nature eat sharply into the premium income of the companies and supply an effective answer to the inquiry as to why bank robbery rates are so high as now demanded.

Percy Goodwin's Criticism Answered by A. M. Brown, Jr.

Arthur M. Brown, Jr., vice-president of the Edward Brown & Sons general agency of San Francisco, has issued a statement in answer to criticism on the part of Percy H. Goodwin of Edward Brown & Sons for organizing the Miners Limited Mutual Compensation Insurance Company. Mr. Goodwin delivered this criticism at the annual convention of the California Association of Insurance Agents.

Arthur M. Brown, Jr., stated that the Miners Limited Mutual will write compensation on mines and affiliated industries. It will further, rather than attack, stock company interests, he said. At present 92 percent of all mines in California are insured in the state fund, he said, and there is virtually no market for mine compensation with any of the stock companies except under most restricted conditions. The Miners Mutual, he said, was organized to give agents a market for mine compensation business. Commissions will be paid.

Risks Being Canceled in States Rejecting Increase

NEW YORK, Nov. 30.—Agents, in states which have turned down the application for compensation rate increases, are finding their companies even more severe in their underwriting practices in the compensation field than usual. Companies are quick to cut off objectionable business in those states and the agents are given to understand that only the state supervising authorities are to blame. There are many lines, which companies might be induced to accept or continue on the books, if higher rates could be obtained. When hope of additional revenue is shut off, however, the companies are not willing to take further chances.

Companies Fight Nebraska Double Taxation Proposal

HEARING HELD AT LINCOLN

Including of Reinsurance Premiums and Dividends Involved—Herdman Takes Case Under Advisement

LINCOLN, NEB., Nov. 30.—Commissioner Herdman has taken under advisement the request of foreign life and casualty companies for revocation of his recent ruling that in computing the 2 percent tax on gross premiums, dividends paid to policyholders and reinsurance premiums must be included. Briefs were filed by several attorneys interested. Oral arguments were presented by C. Petrus Peterson, general counsel Bankers Life of Nebraska, who also represented the foreign life companies; H. S. Ives, special counsel Association of Casualty & Surety Executives, and C. W. Glover, Chicago, representing the American Mutual Alliance. Taxes totalling \$100,000 a year are involved. Some companies have paid.

What Are "Gross Premiums?"

The question, as narrowed down by the arguments, was whether the words "gross premiums received," used in the law, meant exactly what it said, or gross premiums retained and used by the companies. Attorneys for the companies stressed the fact that court interpretation and administrative rulings in Nebraska over a long period of years favored the latter construction, and that as a matter of fact the state had acted for nearly 30 years on the theory that these items were deductible. The present law is a part of the intangible tax law enacted in 1921, and it was contended that as it was lifted intact out of the old law and inserted in the new, the legislative intent was that interpretations should remain as they had been made.

Would Be Double Taxation

Mr. Peterson said it would be conceded that where other states, as in Iowa, refused such deductions, the retaliatory law justified the same ruling in this state, but that making the ruling general would penalize Nebraska companies. Since the ruling was made the Bankers Life has received a number of bills from states that are bringing the retaliatory principle into play, and it will be penalized thus in every one of the other 15 states in which it does business.

With respect to reinsurance premiums, it was contended that if the state collected from both the writing and the reinsuring company it would be double taxation, and that regardless of what division was made as to the tax between the contracting companies, the state had only one interest, that of collecting one tax. To enforce the ruling will simply penalize every Nebraska company in every state in which it operates, without increasing the tax revenues of the state.

Ives' Points Conceded

Assistant Attorney General Newkirk conceded the points made by Mr. Ives with respect to charging the tax on canceled policies, such as workmen's compensation, and where customers refuse policies after they have been reported to the home offices, but questioned whether this was true when the company caused the cancellation. He said that enforcement of the ruling would result in penalizing Nebraska companies through the operation of the retaliatory sections, but that their redress lay in an appeal to the legislature. As to reinsurance contracts he held that they are separate undertakings, in which neither the state nor the insured is concerned, and as the law does not exempt them, the tax must stand.

Guest Accepted Conditions in Taking Ride, Court Holds

MADISON, WIS., Nov. 30.—The Wisconsin supreme court, in a decision favoring the Great American Indemnity, and reversing the trial court, held that a guest passenger in an automobile is not entitled to damages for injuries sustained as the result of causes arising from conditions which were present and accepted on the passenger's entering the car.

Mrs. Ida B. Ganser had brought the suit against Mrs. H. I. Weed, owner of the car, and the insurer. The car was new and the driver, employed by Mrs. Weed, had never before driven an automobile with four-wheel brakes. When his employer, who was riding in the rear seat with the guest passenger, called out to him, "Look out for the train," he immediately applied the brakes to stop the automobile, the car skidding into the ditch.

The Winnebago circuit court trial jury found that the driver was negligent in the manner of the application of brakes and with respect to keeping the car under control, and awarded damages on this account. The supreme court decision pointed out that there is no claim in the case that the driver was going at an excessive rate of speed, was inattentive to his duties, or was reckless in any respect.

"It appears clearly," said the court, "that the injury suffered by the respondent was not due to an inadvertent imperfection in the discharge of a legal duty owed by the driver, but was the result of causes arising from conditions which were present and accepted by the respondent when she entered the automobile."

Chicago, Syracuse Accident Fakers Given Sentences

Twelve members of a fake accident ring were given sentences of from one to five years in Joliet penitentiary by Judge Feinberg of the criminal court in Cook county, Ill. They had attempted to victimize the Lake Shore Mutual, which is affiliated with the Checker Taxi Company, and President George A. Egan of the Lake Shore Mutual has been busy for several months in an attempt to land the conspirators behind the bars. Assistant State's Attorneys Elmer Holmgren and D. L. Thompson, who prosecuted the ring, are expected to be on hand at the next meeting of the Casualty Adjusters Association of Chicago, and will tell something about these cases.

SENTENCES AT SYRACUSE

County Judge Barnum at Syracuse, N. Y., has sent four members of a supposed fake accident insurance ring to the penitentiary.

"Honest citizens," the judge stated, "are forced to pay high insurance rates because of the huge amounts paid out for insurance cases, and no doubt you have had some connection with the others who have carried this racket to all parts of the state."

Recommend Unemployment Cover

COLUMBUS, O., Nov. 30.—The creation of an employment insurance system has been recommended to Governor White by the state commission for unemployment insurance. The passage of an employment insurance law will probably be recommended to the general assembly in January. The proposed law would withhold payment of benefits until sufficient reserve has been accumulated and the fund would be administered along the lines of the workmen's compensation law. Two percent of the annual payroll would be paid by employers and 1 percent by employees to the fund.

Democratic Landslide Puts Insurance Men in Quandary

FEAR BAD LEGISLATIVE YEAR

Companies and Organizations at Sea as to What to Expect from Legislative Bodies

Companies and organizations are almost completely at sea as to what to expect in the way of insurance legislation this next year as a result of the Democratic landslide at the general election. A great many insurance commissioners who have been found to be able, conservative and efficient undoubtedly will go out. The commissioners always have been an important factor in securing the right kind of legislation and defeating inimical bills.

Republican commentators to the contrary, the strong Democratic majorities which will be found not only in the national government but in state governments throughout the nation, undoubtedly will not be so radical as the Democrats popularly are reported to be when they once get a chance to be in power. Nevertheless, it is disquieting for insurance companies and organizations to face the prospect of meeting so many new faces and being forced to start all over in selling their advice and data as sound and worth following.

Many Measures Expected

Without question extra effort will be made in the succeeding year to have adopted inimical laws which insurance in the past has succeeded in quashing.

One thing is evident—there is a tremendous demand all over the United States to reduce the cost of government, not only national but also state. There are tax payers' organizations, both national and statewide, working to this end and undoubtedly many drastic reductions in government expenses will take place.

Although insurance men universally are opposed to the heavy taxation of insurance on the basis that this comes from policyholders, who thus are penalized for thrift and sound conservative policies which make for strong economic growth, yet insurance men it is certain will move in concert to make sure that the standards of ability and efficiency are not lowered in state insurance departments.

It is pointed out by an attorney prominent in legislative work in one of the large national organizations that insurance companies are paying 25 times as much in taxes as the cost of running the state insurance departments. He says that in these times efficiency of state supervision of carriers by all means should be preserved.

May Repeal Unemployment Law

MADISON, WIS., Nov. 30.—Wisconsin's unemployment insurance law may be short lived with the possibility that it will be repealed at the coming session of the legislature before it has a chance to go into effect. Democrats who wrote their party platform apparently found little enthusiasm for state unemployment insurance and while they sympathized with the general idea they contended that such legislation should be national, not state. This would indicate that Democrats will vote for repeal.

Mutual Information Bureau Meets

The Mutual Information Bureau of Chicago, which is a great clearing house of information on claims and claimants, will hold its annual meeting in the Great Northern hotel there at noon, Dec. 6. H. D. Wagner, formerly for many years a prominent claim manager in Chicago, is president.

Success Is Seen in Drive on Fake Accident Claims

NEW YORK, Nov. 30.—Youngstown, O., is among the cities of the country that have wholeheartedly and intelligently striven to reduce the number and seriousness of accident injury claims. The campaign in that community directed by a committee of business men has to a considerable degree checked the activities of the "ambulance chasing" fraternity and compelled more careful observance by motorists of driving ordinances. Since the formation of the civic committee, it is figured the number of claims filed for alleged accidental injuries is 26 percent less than it was a year ago.

That claim making for reputed accident injuries had reached the proportions of a "racket" was the conviction arrived at by officials of transportation, public utility and kindred types of corporations long ago, hence the willingness they manifested to cooperate with casualty underwriters in seeking to check the evil when the National Bureau of Casualty & Surety Underwriters inaugurated its program to that end about a year ago. The support of the police and district attorney offices in a number of communities was likewise secured and has proven highly effective. Organized gangs of professional claim-makers that had succeeded in mulcting different public serving institutions out of thousands of dollars upon claims wholly without merit, were broken up in Rochester and in various other centers; leaders in these racketeering games getting long prison terms. As funds permit the campaign against fraudulent claimants will be systematically pushed in different centers.

Payment Made in Personal Injury Case Not Deductible

Attorney George Hamilton Smith of Boston comments on a recent decision of the board of tax appeals in disallowing deductions from gross income of the amount paid by a Minnesota man in settlement of personal injuries arising out of the use of his automobile. The owner of the car sought to include the amount so paid as a deductible under the provision of the revenue act: "Losses sustained during the taxable year of property not connected with the trade or business . . . if it arises from fire, storm, shipwreck or other casualty, or from theft and not compensated for by insurance or otherwise."

The board of tax appeals pointed out that this is a loss, not of property, but a loss claimed by reason of a sum of money paid for personal injury sustained. No claim is made for the loss of any automobile of the car owner. If congress had desired to extend the statutes to cover a case for personal injuries, it would have been an easy task to do so, the board stated.

Mr. Smith states that where damage to a taxpayer's automobile results from the faulty driving of the operator of an automobile with which the taxpayer's automobile collides, the loss occasioned by the taxpayer is deductible. It is deductible, however, only to the extent, "not compensated for by insurance or otherwise."

Miller Special Agent

J. F. Miller has been appointed Illinois special agent for the Central States Motorists with headquarters in the home office in Chicago. Mr. Miller was formerly special agent in that territory for the American Motorists of Chicago, and prior to that time traveled the same field for the United States Fidelity & Guaranty and Globe Indemnity.

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CENTRAL STATES MOTORISTS INSURANCE COMPANY

CHICAGO, ILLINOIS

NEWS OF THE COMPANIES

Financing Program Revised

**Insurance Securities to Pay \$800,000 into
Union Indemnity—\$2,000,000 Under-
writing Plan Discarded**

Announcement has been made that \$800,000 will be paid immediately into the surplus of the Union Indemnity by the Insurance Securities Company of New Orleans, holding company of the Union Indemnity. According to the announcement, this will bring the surplus of the Union Indemnity to \$1,000,000. Capital of the Union Indemnity is also \$1,000,000.

The plan was for the Insurance Securities Company to raise \$2,000,000 by the sale of preferred stock and to turn these funds over to the Union Indemnity. W. Irving Moss, president of Insurance Securities and the Union Indemnity, states that those who were to have underwritten the \$2,000,000 issue have failed to comply with the contract and the preferred stock will therefore not be issued at this time. The understanding is that Julius Barnes, who has recently entered the insurance field, was to have been one of the principal underwriters of the \$2,000,000 issue.

It is reported the National Surety will not exercise its rights and buy any of the new issue of stock offered by the Union Indemnity. When the National Surety sold the New York Indemnity to the Insurance Securities Corporation it accepted stock in Insurance Securities as part payment.

N. Y. Department Steps In

The New York department has taken possession of the Aero and Aero Indemnity and will liquidate the business. Richard A. Brennan, special deputy superintendent, has been appointed to liquidate the business and Jan. 23 has been set as the deadline for the filing of claims. These companies, which

were under the Barber & Baldwin wing, have been in process of voluntary liquidation.

Three liquidating dividends had already been paid by the Aero and Aero Indemnity to the holding company, the Aero Underwriters Corporation, prior to the insurance department assuming jurisdiction for final liquidation. The holding company, in turn, has paid several liquidating dividends to its stockholders. It is assumed that the New York department will delay final winding up to be sure that all outstanding indebtedness of every nature will be disposed of. Liquidation is a comparatively easy process in the aviation field, because all contracts are limited to one year.

Dodson's Plan New Mutual

KANSAS CITY, MO., Nov. 30.—Notice of intention to form a new mutual casualty company has been published here. The new company, formation of which will not be completed until early in 1933, will be managed by Bruce Dodson & Co., who also operate the Casualty Reciprocal Exchange, Reciprocal Exchange (fire) and Equity Fire of this city.

Car Owners Mutual Wound Up

Receivers of the defunct Car Owners Mutual of Boston have submitted their final report, closing up the affairs of the company, and the report was accepted by the court. They were appointed in December, 1928.

It was reported that 100 percent has been paid on property damage claims, and 70 percent on personal injury claims, the business of the company being devoted almost entirely to those coverages under the compulsory automobile liability act.

The *Atlantic* of Dallas has been licensed in Illinois to write automobile and plate glass.

CASUALTY PERSONALS

Associates of L. L. Noonan in the Newark office of the American Casualty honored him with a dinner at which a traveling bag, fully equipped was presented to him on behalf of the employees by C. W. Linfante, claim manager. He has just resigned to become eastern manager for the Associated Indemnity.

Ray Russell, 52, accident and health general agent of the Pacific Mutual Life in Milwaukee, died there after an illness of several weeks, following an operation. He had been with the Pacific Mutual there for 15 years.

Assistant Secretary J. G. Yost of the Fidelity & Deposit postponed his summer vacation until November. He and Mrs. Yost are sojourning at Havana and are "doing" Cuba.

James W. Powers, head of the bonding department of the New York metropolitan office of the Great American Indemnity, died following an operation for appendicitis and intestinal paralysis. He was 47 years of age. Born in Ireland, he came to the United States and started to work for the Travelers in 1914. In 1921, he joined the United States Fidelity & Guaranty and continued with that company until 1927 when he became connected with the Great American Indemnity.

C. E. Rickerd, advertising manager Standard Accident, spoke this week on "Practical Use of Advertising and Sales Literature" at the life insurance sales training course being conducted by the

H. C. White Connecticut Mutual Life general agency in Detroit.

Three officials of the Royal Indemnity are in the midst of an airplane trip across the continent with the expectation of landing on the coast in time to attend the Notre Dame-Southern California football game. The officials are President F. J. O'Neill, W. H. Gallentine, head of the claim department, and Financial Secretary Fortington, who is one of the United States attorneys for the entire Royal organization. They are flying in Mr. Fortington's plane. Their first stop was at Cleveland. Then they visited Chicago and from there plan to land in St. Louis and Kansas City on their way west.

Identical Liability Exists

Exactly the same liability is imposed by law upon trustees, executors, guardians and other fiduciaries for torts committed in the administration of affairs and property of the estates which they are holding and which they represent, as is imposed upon any corporation or individual in managing and administering the same kind of business or property on its or his own account. R. E. Hall, associate counsel of the Aetna Life group stated in the Aetna's casualty and surety sales training school for casualty commission producers. His subject was "The Law of Liability for Negligence as Related to Insurance." Mr. Hall said if a fiduciary is held responsible he cannot reimburse himself from the estate which he represents but must pay the damage personally.

Surety Company Promoted By Pennsylvania Bankers

TO HANDLE BANK BUSINESS

Organizers Hope to Start with \$2,000,000 Capital and \$3,000,000 Surplus
—Holding Company Also Proposed

The Pennsylvania Bankers Surety is being organized to do a general liability, fidelity and surety business exclusively with banks, which subscribe to the setup of the company. The proposal is to start with paid in capital of \$2,000,000 and paid in surplus of \$3,000,000.

Chess Lamberton of Franklin, Pa., is chairman of the committee that is in charge of formation of the company. Mr. Lamberton is president of the Lamberton National Bank of Franklin, director of the Federal Reserve Bank of Cleveland and president of the First National Bank of Cochranton, Pa.

The prospectus states that in order that national as well as state banks may participate in the organization of the Pennsylvania Bankers Surety, it seems necessary to organize two companies, the Pennsylvania Bankers Surety and the Pennsylvania Bankers Investment Company. The latter would be a holding company to sell debenture bonds secured by the capital stock of the surety company and with the proceeds therefrom to purchase the stock of the surety company which will furnish the surety company with the necessary capital.

Capital Structure

The Pennsylvania Bankers Investment Company, according to the prospectus, will have 10,000 shares of no par capital stock and \$5,000,000 of authorized collateral trust debentures. Debentures and stock are to be sold only to banks.

The investment company will pay \$250 per share for the 20,000 shares of \$100 par value stock of the surety company. Neither of the companies, according to the prospectus, is to be organized until at least \$2,000,000 of the debentures have been subscribed for.

The circular states that in the 12 years from Jan. 1, 1920, to Dec. 31, 1931, 22 surety companies operating in Pennsylvania, collected on Pennsylvania fidelity, surety, plate glass, burglary and theft risks \$90,862,950 in premiums and paid out \$30,382,065 in losses. In the two years ended Dec. 31, 1931, the companies collected \$14,207,190 and paid out \$9,339,517.

Other members of the committee on organization are J. C. Chaplin, president Colonial Trust Company, Pittsburgh; R. C. Miner, secretary Wyoming National Bank, Wilkes-Barre; C. J. Kirschner, vice-president Markle Banking & Trust Co., Hazleton; H. J. Crawford, president Oil City National Bank, Oil City; J. T. Moore, president Berks County Trust Company, Reading, and E. W. McGill, president Crawford County Trust Company, Meadville.

Harry H. Hoard Speaks

In reporting last week the meeting of the Accident & Health Managers Club of Detroit, the name of one of the speakers was incorrectly given as Harry Ward. The speaker was Harry H. Hoard, second vice-president of the Ohio Insurance Federation, former president of the National Managers Health & Accident Association.

Definition of Term "Used"

In Beckham vs. Maryland Casualty, a decision was rendered by the Mississippi supreme court involving the servicing of a car. The assured was operating a garage and service station and in connection with it washed and greased cars. The insured had sent for an automobile and in washing it, water had gotten into the ignition system, rendering it neces-

sary as a means of drying out the ignition, that the automobile be driven around for a short time. While an employee was directly so engaged, he collided with and injured Beckham. The sole question is whether the injury came within one of the numerous exceptions inserted in the policy, specifically whether the automobile was at the time being used by the insured, or whether it was being serviced.

The court holds that the word "used" must be interpreted in this policy to mean to put or convert to one's own service. It does not include that which is a direct part of the service to another, as was in this case. The lower court decision is affirmed.

Federation Annual Meeting

The annual meeting of the Insurance Federation of America will be held the afternoon of Dec. 5 in the Hotel Pennsylvania, New York City.

Correspondence Course Booms

The Aetna Casualty estimates that for this year the total number of lesson papers in its correspondence course on casualty and fidelity and surety will be about 23,000. This compares with 13,700 last year. A number of agents of many years experience are taking the course

as well as new men, the Aetna Casualty states. Some agents have enrolled their employees in the course.

A. F. of L. Favors Monopoly

Resolutions favoring monopolistic state workmen's compensation insurance were adopted by the American Federation of Labor in Cincinnati Nov. 29.

Gesner Assistant Manager

NEW YORK, Nov. 30.—M. A. Gesner for some time superintendent of the compensation and liability department in the New York City branch of the United States Fidelity & Guaranty, has been advanced to assistant manager of the office as of Dec. 1.

Lists 95 Safety Devices

NEW YORK, Nov. 30.—A pamphlet just issued by the National Bureau of Casualty & Surety Underwriters lists 95 devices put forth by 41 manufacturers, all tending to greater safety in operating elevators. Use of properly installed hoistway interlocks warrants the assured receiving a 10 percent discount from manual rates, while a four percent discount is allowed where elevators are equipped with car-gate or car-door electrical contacts.

Iowa Organization Active in Safety Education Work

Iowa has contributed much toward the progress of safety work in connection with automobile accidents. A textbook has been prepared for use in grades and high schools entitled "Safety Education." It is published by the Iowa department of the American Legion. It is a course of study on safety education prepared by Miss Agnes Samuelson, superintendent of the state department of public instruction. The book has been mailed out to 26,000 teachers in the state.

J. Dillard Hall of Des Moines, manager of the United States Fidelity & Guaranty, chairman of the safety committee of the Casualty & Surety Club, is a member of the advisory committee getting out the book, as is C. W. Borrett of the Hanover, secretary of the Iowa Fire Prevention Association. This text book is very valuable and marks a step in the progress of safety education.

Miller With Consolidated

E. F. Miller, formerly district supervisor in Connecticut for the United States Casualty, has been appointed special agent in that state for the Consolidated Indemnity of New York.

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and sales don't come in today unless you go after them. The need for automobile insurance has never been greater than now. Aggressive merchandising is as essential as a proven policy that fits the public's automobile insurance needs.

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SPECIALISTS IN AUTOMOBILE INSURANCE

WORKMEN'S COMPENSATION

New Oklahoma Bill Drafted

Associated Industries Cooperating with Insurance Interests to Secure Compensation Changes

OKLAHOMA CITY, Nov. 30.—The Associated Industries of Oklahoma, which is giving the fullest support to the movement to rectify the workmen's compensation situation in Oklahoma, arranged a meeting here to which all interested parties were invited. The attendance was large, representing all groups especially affected. Agents, claim men, company representatives and self-insurers were present, as well as employers.

The meeting was devoted to a reading and discussion of a draft of a proposed new compensation law. This draft was in large measure based on a previous draft prepared by a committee from the Oklahoma Association of Insurers. While numerous amendments are proposed, there are two provisions which are considered most vital: (1) For a short period of limitations on the reopening of cases, and (2) for appeals from findings of the industrial commission on questions of fact.

A committee of nine was appointed to perfect the measure, the insurance interests being represented by J. A. Frates, Jr., R. H. Siegfried and Ancel Earp. The committee went into session immediately after the meeting and made considerable progress. Another meeting has been scheduled at Tulsa, at which the draft and suggested changes will be further considered.

Life Companies Must Pay Tax

SALT LAKE CITY, Nov. 30.—Life insurance companies that are self-insurers under the Utah workmen's compensation act can not escape the premium tax on their potential compensation premiums. Under the Utah compensation law not only self-insurers but the state compensation fund pay the same tax on compensation premiums or "potential" premiums as the regular insurance carriers. The life insurance companies pay a tax of 1½ percent on their life insurance premium receipts "in lieu of all other taxes." The New York Life claimed this provision excepted it from the tax on its potential compensation premiums, but the attorney-general of the state rules against it.

Protests N. M. Highway Rating

Complaint against the compensation rating which has been given the New Mexico highway department has been launched by the highway department insurance clerk, J. D. Hannah. He said

there is no specific classification on the manual for road maintenance work which is the greater part of the department's annual payroll and which, he said, is not very hazardous. Unless there is some relief Hannah declared that some other provision for carrying the insurance would be made.

Reopen Texas Rate Question

DALLAS, Nov. 30.—As a result of strong protests from the Dallas Manufacturers Association, said to be backed by similar action by industrialists in other sections of the state, the whole question of compensation rates in Texas is to be reinvestigated by the state insurance board. It will hold a

hearing in Dallas, when the complainants will be heard and facts and figures they have to offer in protest against rate increases presented.

The manufacturers claim the rates in Texas are too high and that while the companies have received two rate increases in the past two years, they have failed to make proportionate reductions in their operating costs. They charge that of each \$100 premiums collected in Texas but \$30 had been returned in the form of payments to injured persons.

Relief Employees Eligible

RICHMOND, VA., Nov. 30.—The Virginia industrial commission has held that persons given part-time work as a means of relieving unemployment are not necessarily casual employees and are as much entitled to benefits of the workmen's compensation act as regular employees.

fees (in addition to surgeon's fees) weekly for 15 weeks, \$50 is paid. If the injuries do not disable, physicians or surgeons' fees will be paid up to \$50. The policy provides the usual aerial travel coverage and in case of accident the company will pay up to \$100 to place the policyholder in care of friends.

These policies are issued only to men. The annual cost is \$60 from ages 18 to 59 inclusive in class A or "special" occupations. The cost is \$72 for the same ages in "preferred" occupations. The cost is \$108 for the same ages for "ordinary" occupations.

Wagner Goes with National Casualty as Group Manager

John T. Wagner, who has been in charge of group accident and health development for the United States and Canada for the Zurich, has been appointed group manager for the National Casualty of Detroit.

Mr. Wagner has been in the accident and health field since 1916, when he became western representative of the Equitable of New York for group insurance, after having been assistant secretary of the Hartford Accident & Indemnity in charge of the Chicago district. For the past five years he has been associated with the Zurich, working the North American continent out of Chicago. He has built the Zurich's premium income on group business up to approximately \$1,250,000 a year. He negotiated the arrangements with the Sun Life of Canada under which the Zurich writes the accident and coverage in connection with group life business written by the Sun Life.

Carbon Monoxide Gas Not "Poison," Michigan Ruling

LANSING, MICH., Nov. 30.—Death from inhalation of carbon monoxide gas in automobile exhaust fumes is not death "by poison" within the meaning of an insurance policy, the Michigan supreme court holds in *Blanche Kingsley vs. American Central Life*.

The body of C. C. Kingsley was found in his garage in Ann Arbor. Examination showed death was due to inhaling carbon monoxide gas. Two physicians testified in the lower court that this gas was a poison and the court hence refused to allow double indemnity as provided for strictly accidental death in view of the fact that the policy specifically provided that death "by poison" would not be considered under the double indemnity clause.

The supreme court holds that the policy should be interpreted in the light of a layman's understanding of its terms rather than according to its technical meaning as fixed by scientists.

"There are, we think, few persons," Justice Sharpe's opinion reads, "except those who have received medical edu-

ACCIDENT AND HEALTH FIELD

Prospectus Idea Is Favored

Subject of Round Table Discussion at Meeting of Los Angeles Managers Club

LOS ANGELES, Nov. 30.—The November meeting of the Accident & Health Managers Club of Los Angeles was devoted mainly to a round table discussion: "Is it advisable to submit a prospectus of accident and health insurance service to the prospect as a detail of direct by mail advertising?" Without exception the members present commended the use of a prospectus form illustrating the benefits covered by the policy that is being submitted. A number said they insisted on the use of such forms by agents in their personal contacts with prospects.

The use of such material has resulted, it was said, in eliminating almost entirely the use of sample policies, the prospectus having been found more effective for informing the prospect in regard to the coverage submitted. One manager said his men are instructed to urge the policyholder to retain the prospectus, filing it with his policy for future reference in the event of a claim arising.

There was some discussion of newspaper policies. H. F. Thompson, National Casualty, said such policies educate the public in the need for the protection afforded by accident and health insurance.

The Fremont Mutual Agency Company of Columbus, O., has been incorporated to handle accident insurance under a contract with the Fremont Mutual Life of Columbus. Incorporators are H. E. Brennan, a director of the Fremont Mutual Life, R. W. Price, E. S. Gareau and J. J. Ogrin.

F. & C. Issues New Contract

"Maximum Benefit Accident Policy" Has Several New Features—Disability Permanent After 200 Weeks

The Fidelity & Casualty has issued a new contract, known as the "maximum benefit" accident policy which embraces a number of novel features. One of the important departures is that a weekly income of \$50 a week while totally disabled is paid up to 200 weeks. At the end of that time, the disability is presumed to be permanent and a cash settlement of \$30,000 is then effected. That arrangement permits a definite limit of liability in cases of total disability and gets around the problem of how to set up reserves when the pension period is indeterminate.

For loss of both hands or both feet, sight of both eyes, one hand and one foot, either hand or foot and sight of one eye, the policy pays \$30,000; one hand or one foot, \$15,000; sight of one eye, \$10,000; thumb and index finger of either hand \$7,500.

Death resulting from bodily injuries pays \$10,000. From date of accident to date of any of the above losses, additional weekly indemnity for total disability of \$50 a week is paid. Partial disability for 52 weeks pays \$12.50 to \$37.50.

Should the injury result in a fracture, dislocation or other specified injury, the policyholder has choice of a fixed lump sum (in accordance with schedule in policy) in lieu of weekly indemnity up to \$640 and in addition, surgeon's fees and hospital or sanatorium charges, or surgeon's fees and nurse's fees.

Surgeon's fees up to \$200 are paid; hospital or sanatorium charges or nurse's

INDIANA INSURANCE COMPANY

A STOCK COMPANY CHARTERED 1851—OPERATING ONLY IN INDIANA

Capital, Surplus and Reserves for Protection of Policyholders over \$700,000.00

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All Lines in One Policy

FIRE and WINDSTORM

Combined coverage, equal or unequal amounts, in one policy.
Excellent reinsurance facilities

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Unexcelled contracts

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SPECIAL AGENTS

ERNEST NEWHOUSE
LA RUE NEWHOUSE
EMERSON NEWHOUSE

HOW about an agency contract with a Company that will help an agent when help is needed?

cation or those who have given the matter due consideration who would ascribe a death resulting from inhalation of carbon monoxide gas as due to poison. *** In our opinion the natural, obvious meaning of the word poison—that understood by people at large—should be applied to it as used in this policy, rather than the technical one as stated by physicians."

Plan Series of Congresses

SAN FRANCISCO, Nov. 30.—At its November meeting the Accident & Health Managers Club decided to hold a series of sales congresses, the first to be in January. T. W. Budlong, Commercial and Metropolitan Casualty, and A. E. Kraus, California Agencies, are co-chairmen.

Considerable interest has been aroused among accident and health offices in San Francisco for a consistent program of education to cover not only accident and health agents but also life agents and brokers. The sales congress idea has proven successful in many other cities and notable results are expected here.

More Spread for Home Friendly

President C. H. Taylor of the Home Friendly of Baltimore is gradually get-

ting the company on more evenly balanced rations and he has done a fine piece of work in rebuilding during the last two years. When he came into command he found 75 percent or more of the business accident and health. He has whittled it down to 50 percent and is stressing industrial life. The agents have hit their stride in production.

When Mr. Taylor became president almost all the company's business was in Baltimore. He has gotten a wider diversification until 50 percent comes from immediate home territory. He has imbued all in his organization with the necessity of hard work.

Quits Eastern States

The Pacific Mutual Life is withdrawing from Connecticut and Rhode Island, as well as New York. In those states the Pacific Mutual has been writing only accident and health and it desires to operate only where it may sell all of its lines, including life, accident and health.

Your Life Insurance Agency has been incorporated at Columbus, O., by N. E. Fagen, R. K. Montgomery and C. R. Younger to handle a new contract put out by the Income Indemnity of Boston to take the place of the old permanent and total disability contracts. Mr. Younger is a son of Judge C. S. Younger, president American Insurance Union and former Ohio insurance superintendent.

FIDELITY AND SURETY NEWS

Michigan Decision Studied

Joins Connecticut, Massachusetts and Pennsylvania in Making Collectors Liable for Personal Taxes

NEW YORK, Nov. 30.—Surety underwriters are studying a recent decision of the supreme court of Michigan, holding tax collectors in the state liable for whatever sums they fail to collect under personal property assessments; the decision placing the state in line with Connecticut, Massachusetts and Pennsylvania in such respect. In the light of the decision some company officials are debating the wisdom of bonding tax collectors in Michigan any longer; some offices, however, influenced by the opinion of their representatives in the state and by local attorneys are still granting the coverage.

The adoption of measures holding tax collectors responsible for collecting taxes under personal property assessments was induced to check the favoritism shown by tax officers in certain southern states some years ago in waiving taxes for friends. To forestall such practice the collectors were made liable for the garnering of all assessments turned over to them. No trouble is had with respect to taxes upon real estate, which being non-removable, is sold at public auction for whatever claim the community in which it is located may have upon it. Collecting personal property tax is difficult, as it is very easy for a party in default to leave for parts unknown. Officials in Pennsylvania, even though they may have been out of office for years, continue to try and collect taxes of this type, nor are they finally released from liability until every account has been disposed of.

Wiping Out Guaranty Laws May Aid Surety Companies

LINCOLN, NEB., Nov. 30.—Although no bonding companies were directly concerned in the litigation, the decision of the Nebraska supreme court invalidating both the old and the new deposit guaranty laws as applied to state banks promises to add many thousand dollars to their net revenues. As a test of the question involved the New Amsterdam Casualty has asked the supreme court for a ruling that with all

the deposit guaranty laws wiped off the books, there is nothing now in the law to make depositors in state banks preferred creditors. If this point is sustained the companies which have, as bondsmen either for the state bank or the county or city treasurer who made the deposit, reimbursed the public treasury and sought subrogation on their claims, will share equally with depositors in more than 100 state banks still in liquidation.

The lower courts generally have held that the bonding companies are merely general creditors, which in practice means they will get nothing, because not enough is secured to pay depositors.

Below Par Securities Hold Up State Treasurer's Bond

LINCOLN, NEB., Nov. 30.—Another obstacle to the speedy writing of the bond of the new Nebraska state treasurer, who takes office Jan. 5, has arisen because the incoming treasurer, G. E. Hall, has refused to accept as cash the \$1,200,000 of United States bonds that Treasurer Bass bought a year ago under a statute authorizing such investments. Attorney-General Sorensen holds the new treasurer can accept these and credit the outgoing treasurer with the amount paid for them, but Mr. Hall says the attorney general's opinion is not law, and that he will require legislative approval or validation of the original purchase.

The chief reason for Mr. Hall's position is that the bonds, bought at par or a premium of 1 percent, are now worth but 98 cents on the market. State funds from the state's open bank accounts which draw 1 percent net interest were used to buy the bonds, and the investment so far has yielded \$44,000 more interest than had the money been left with the banks. Companies on Treasurer Bass' bond have been urging acceptance of these bonds at par, pointing out that the excess interest earnings exceed the drop in market values.

New Jersey Association Election

NEWARK, Nov. 30.—The annual meeting of the Casualty Underwriters Association of New Jersey, of which W. A. Schaefer is now president, will be held here Jan. 11.

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you would undoubtedly
do more Automobile business!

ILLINOIS CASUALTY COMPANY Springfield

ILLINOIS, INDIANA, IOWA,
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For Open Territory—A-1 Agents

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SUCCESSFUL
-- NATIONAL
-- AGENCIES

T-H-E
COMBINATION
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Liberal policies
—
Good territory
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Agency—Building
Co-Operation from
Home Office
—
Efficient Claims
Service

Are you making PROGRESS? If not, are you willing to spend TWO CENTS to learn WHY National Casualty salesmen forge ahead continually?

We have a full line of Commercial, Industrial, Group and Deferred Payment Accident and Health policies. A connection with this company will be the TURNING POINT IN YOUR LIFE.

NATIONAL CASUALTY COMPANY

Detroit, Michigan

W. G. Curtis, President

Thirty Years—Through Thick and Thin

AMERICAN CASUALTY COMPANY
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● Experience gained through meeting many and varied conditions removes the always dangerous snap-judgments and vacillating practices that bring gray hair to agents' heads.

A Stock Company

Incorporated 1902

Supporting the American Agency System ever since

In looking back over the growth of your own business, what were the factors that aided in that growth?

Giving a fair deal, or making an honest effort to do so, was one, no doubt, just as it has been with THE PREFERRED ACCIDENT.

Write us if interested in taking on a good strong company for

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HEALTH—BURGLARY AND AUTOMOBILE INSURANCE

The
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CERTIFIED PUBLIC ACCOUNTANTS
Specializing in
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CHICAGO

Forgery Bond Is Needed By Firms Dodging Check Tax

A forgery bond is essential for those concerns, which are using drafts, drawn on themselves, instead of checks, to avoid the federal tax of 2 cents on each check, the Aetna Casualty points out. Many concerns are using these drafts, which clear through a designated bank but are not paid by the bank. At the end of each day, the bank calls the depositor, reports the number and amount of all such drafts which have been presented for payment that day, after which the depositor issues one check, payable to the bank.

The bank is under no obligation to pay such drafts and is without authority to charge them to the account of the maker. The maker must assume the responsibility of verifying the genuineness of each instrument.

Protection may be had under a depositor's forgery bond or under section A of the depositor's and/or commercial forgery bond. It protects the assured against loss resulting from payment of any draft bearing the forged name of the maker, drawer or endorser, or from the payment of a raised or overdraft. It also protects against the payment of a draft made or drawn by or purporting to have been made or drawn by the assured and bearing the forged acceptance of the assured. It protects against any loss which the assured may sustain through payment of forged instruments issued, or purporting to have been issued by an outside party.

Limited Visibility Cause of Many Night Accidents

Limited visibility was emphasized as the outstanding cause of automobile accidents during hours of darkness and statistics to substantiate that conclusion were presented by R. E. Simpson, illuminating engineer of the Travelers, at a meeting of the illumination group of the American Institute of Electrical Engineers in New York City.

Referring to pedestrian deaths Mr. Simpson brought out that the statistics of one state showed twice as many pedestrian fatalities during darkness as during daytime. With 80 percent of motor vehicle traffic in daytime, one-fifth of the traffic occurring at night accounted for more than three-fifths of pedestrian fatalities.

The one significant fact of the statistics, it was said, is that the percentage of daytime accidents does not even closely approach the percentage of daytime traffic, while the percentage of night accidents is nearly four times greater than is warranted by the traffic alone.

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Special Agent Wanted

The Employers Liability Assurance Corporation

To Travel Ohio
THOMAS E. HANLON
First National Bank Building,
Cincinnati, Ohio

Truckmen Misapprehend Reason for Tightening

Reluctance or refusal of companies to write public liability, property damage and cargo on truckmen, especially those hauling overland, has brought truck owners to believe generally that the reason is large company holdings of railroad securities and desire not to injure railroads by aiding their rivals. This is utterly incorrect, casualty and marine underwriters say. Truck hauling is only a small percentage of freight business. Companies have had terrifically high losses on truck business, some running 200 to 300 percent. Many smaller companies have had to retire from this line entirely and large companies strictly to limit their writing. It has resulted, especially around Chicago, in doubling rates for this cover in the last six months.

Thoroughly Bad Risks

Brokers everywhere for a long time have had, and are having, difficulty in finding carriers for their P.L., P.D., and cargo insurance. Underwriters say truckmen as a class are "notoriously bad pay"; that especially among individual truckers there is considerable moral hazard. These individuals buy trucks on the finance plan, occasionally become financially involved so they may lose their trucks, and then, as one underwriter said, "Nature takes its course."

Undoubtedly the large proportion of truckmen are honest yet conditions have forced them to push their drivers to the limit; underwriters say often the drivers do not get proper rest; they must drive for many hours and often at the end of a run are required to take out another truck almost immediately.

Death Rate Is Heavy

The death rate on long distance hauls has been very high. Two accidents on one line were reported to one carrier in a month, in one of these three people being killed.

Although most truck lines send along a relief driver, in addition to driving these men must load and unload. On overland furniture trucks, drivers after a long trip carry a vanload of furniture into homes or apartments, return to their trucks and set out on the road again. Truckloads quite frequently are made up in job lots, so several stops and unloadings may be necessitated on a trip.

Wants Liability Terminated

The Employers Liability is urging agents to produce evidence which will enable the Employers to terminate liability on bonding risks. This request applies to fidelity, fiduciary, license and permit bond lines and particularly to contract bond risks. The company points out that the Dec. 31, 1932, financial statements will be used by the United States treasury department as a basis for fixing the limits of retention on the various types of fidelity and surety bonds, the limit being equal to 10 percent of the capital and surplus as of that date. Maintaining unnecessary premium reserve on bonds which have already served their purpose must be deducted from surplus, the company points out.

Can't Pay Judgment, Jailed Man Released as Bankrupt

BUFFALO, N. Y., Nov. 30.—After ten weeks in jail Carol Kubeniec of North Tonawanda has been released after going through bankruptcy to get rid of an automobile damage suit verdict. Kubeniec, who is only 17, was imprisoned under the little known New York law that permits the imprisonment of defendants who fail to pay a judgment for injuries. United States District Judge John R. Knight held that bankruptcy is a discharge of a judgment and ordered his release.

New York is one of eight states where the old imprisonment law is known to be in effect. The others are Illinois, Michigan, New Jersey, Pennsylvania, North Carolina, Rhode Island and Colorado. Imprisonment for debt is abolished everywhere but many of the old laws still allow imprisonment for tort where malice entered into the action. Inasmuch as it is practically universal for lawyers to allege "malice aforethought" in all claims for damages, a verdict subjects the defendant to imprisonment.

The Kubeniec car struck William Krause, causing injuries for which Krause won a verdict of \$1,325. Kubeniec was unable to pay and was placed in jail for ten weeks, being released only when the court ruling on the bankruptcy was announced.

Probing Plate Glass Racket

A number of Chicago casualty managers and companies writing plate glass were subpoenaed before the Cook county grand jury last week to give testimony as to what they knew about breakages which indicated the work was done by racketeers. There has been suspicion for some time that a large amount of the plate glass losses in Chicago could be traced to those that intentionally broke the panes in order to create work and a market for glass.

Comparative Negligence Construed

MADISON, WIS., Nov. 30.—The comparative negligence statute, passed by the 1931 legislature, providing that contributory negligence does not defeat the right to recover for another's negligence if the negligence of such other was greater than the contributory negligence, was construed by the Wisconsin supreme court in the case of Hector McGuiggan vs. Hiller Bros. of Dodgeville. A truck owned by Hiller Bros. collided on a dark night with an automobile driven by McGuiggan. He was negligent in driving a little over to his left of the center of the road, but the truck owners were also negligent in not having clearance lights on the truck as required by statute. The supreme court held it was for a jury to decide who was guilty of the greater negligence and that the trial judge could not hold McGuiggan's negligence, as a matter of law, was equally the cause of the collision.

Hearings Now Under Way

Hearings have started in the suit of N. P. Stewart, stockholder of the National Surety, to prevent that company from paying on its depository bond covering state deposits in the closed Franklin Trust Company of Philadelphia. The case is being heard in the United States district court. Stewart claims that the state should first file claim as a preferred depositor before calling on the National Surety.

One of the witnesses was former Mayor T. B. Smith, who now represents the National Surety in Philadelphia. He testified that members of the state board of finance and revenue advised him on Oct. 1, 1931, that the state would file claim against the Franklin Trust Company as a preferred creditor. Smith said that this agreement was later countermanded by Governor Pinchot.

WE HAVE OPENINGS FOR FIELD MEN IN FOLLOWING STATES:

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Applications will not be considered unless recently in field; thoroughly acquainted with Agents and fully conversant with Automobile Insurance. Address X-4, The National Underwriter, Chicago

WITH BURGLARY UNDERWRITERS

Proof of Loss Is at Issue

Ohio Supreme Court Decides 60-Day Period Starts When Extent of Loss Is Determined

The Ohio supreme court in *Wolinsky vs. National Casualty* has decided that the 60 days allowed for filing proof of loss in a burglary policy may be construed as meaning 60 days from the time extent of the loss was determined by the assured.

The court of appeals decided that the 60 days should be computed from the date of the loss. The testimony disclosed that because of the theft of the inventory book and because of the shock and nervousness on the part of the assured occasioned by the robbery, the assured was unable on the afternoon of April 3 when the robbery occurred, or for some time thereafter, to ascertain the extent of the loss, proof of which, including the amount of value of jewelry stolen, had to be sent to the insurer.

The Ohio supreme court held that under such circumstances an insured should be given reasonable time and opportunity to discover the extent of the loss, so that the insurer could be advised not only of the robbery but of the amount of the loss occasioned thereby. The period of 60 days from the date of the loss expired Sunday, June 2; proof was deposited in the Canton, O., post-office the next day and was received by the company June 4, 62 days after the date of the loss. It is the opinion of the Ohio supreme court that, under the circumstances detailed in the record, the discovery of the extent of the loss and the furnishing of proof of loss to and its reception by the casualty company on June 4, was in compliance with the provisions of the policy.

Oklahoma Supreme Court's Decision in Paymaster Policy

The Oklahoma supreme court in *Shannon Furniture Company vs. Federal Surety* decides an interesting case under a paymaster, messenger and office robbery policy. The manager of the store, after locking the outside door went to his car and when he started to get in two men with guns were waiting. They drove seven miles west of Tulsa and demanded the combination of the safe. He finally gave it to them. Two of the men stayed with him while the others went back to the city, opened the safe and returned. The policy indemnified the plaintiff for loss by robbery committed between 7 a. m. and 12 p. m., provided that at least one custodian be on duty. It further provided that "robbery" was limited to a forceful and felonious taking of property by violence inflicted upon the custodian in the actual care of the property.

The court held that the coverage as applied to the robbery involved in this case is on property within the premises when at least one custodian is on duty. Under the circumstances, it holds that the conditions are not sufficient to bring the loss within the terms and provisions of the policy.

Signed Application Is Urged as Burglary Insurance Aid

Signed applications for burglary insurance would eliminate many losses, it was concluded at a recent meeting of the Burglary Underwriters Club of Chicago. There was no final action taken on the suggestion. Members commented on the practice prevalent in Chicago of binding a risk in one company for a month, cancelling flat, binding in

another company, and so on. This free insurance evil has been troublesome in Chicago burglary insurance. It was said many brokers have policies issued "on approval." Signed applications would end this practice and flat cancellation, it was declared.

President H. P. Schewe reviewed a recent decision in a case in which the assured claimed he had not been asked, nor had he answered one of the questions on which one of the warranties in the policy was based. The court held that the assured was bound by the policy since he had it in his possession and could have read it and objected sooner.

Coin exchanges organized as the result of many bank failures are "hot" risks generally, members stated. These are being written carefully, two armed guards being required. There have been many losses on these. Open stock losses have eased up considerably. They were running very high for a while.

Malicious breakage still is a serious problem in plate glass. One underwriter said 40 percent of losses in his company for the Chicago district in the last three weeks were chargeable to this cause. Another company refuses to cover large plates in Chicago, limiting rather closely to not over \$50 risks.

Breach of Warranty

Although three officers of the insured were present storing merchandise on a Saturday afternoon, the court in the case of *Shuster vs. National Surety*, reported in 256 N. Y. 150, held there was a breach of warranty under a burglary policy because no watchman made rounds or recorded on a clock at that time. The court sustained the company's contention that the place was not "regularly open for business" and the watchman should have made his rounds.

Objections to Cancellation Clause Are Cited by Casper

(CONTINUED FROM PAGE 4)

than the tenth day of the month after that in which the business is written. The butcher and the coal man need, and insist upon, the prompt payment of their monthly bills; because the wholesaler and the jobber insist on it from him. No money, no meat. No money, no coal. No money, no insurance.

"Collection competition is much more fanciful than real. Under strict requirements, poor pay agents will gravitate to loosely managed companies; poor pay assureds to incompetent agents; and, while there may be a headache during the adjustment period, ultimately only the well managed companies and the competent agents will survive. Under such requirements, an agent would have to have some capital invested in his business, and why not? A shoe shining parlor cannot be launched without a slight investment for a chair, a brush, and a box of polish.

"Agents have been assiduous in recent years in backing qualification laws, still, some of them would have this automatic feature incorporated, which would do more damage to the successfully conducted agency than the good which would accrue if every state passed a satisfactory qualification law.

"Under present conditions, there is great need for thorough cooperation among the field men on balance collection problems, but the removal of the cause of the disease is considerably more desirable than the cure therefor."

Mr. Casper has charge of the western department of his companies at Chicago.

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AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
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General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
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FINANCIALLY
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Pledging Genuine Co-Operation to its Agents

Make that next
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330 So. Wells St., Chicago

116 John St., New York

404 Plymouth Bldg., Minneapolis

369 Pine St., San Francisco

Glass Rates Go Up For Chicago Dec. 1

(CONTINUED FROM PAGE 23)

The penalty zone, or zone 1, in Cook county has been revised. Ashland and Western avenues, between Lake street and North Avenue, have been taken out of zone 1 because of widening of street. Cottage Grove, from 2,600 to 3,100, is placed in the penalty zone, as are 16th street from Kedzie avenue to Crawford avenue; Root street from State street to 600 west; Halsted from North avenue to 24th street, 47th street from 37 east to 200 west, Archer avenue from 2470 to 2497, State street from 600 to 1200 south, and Lake street from 2400 to 2569 west.

The principal reason for the increase was malicious breakage, which has been a cause of heavy loss to companies operating in Chicago. The second reason, however, was that there has been no increase in plate glass insurance rates in Chicago since the price of glass went up 25 percent in August, 1931.

Heavy Losses Experienced

The companies loss ratios have been terrific in Chicago, one member of the bureau showing well over 93.3 percent on an earned basis and many others being in that neighborhood. The losses have eased up a trifle recently, however. The loss experience for 1931 was 58.3 percent or an excess of 18 points of the ratio upon which the rates in force were predicated.

The zoning arrangement in Chicago is continued, with, however, some changes. Cook county is divided in two zones, zone 1 including a number of named streets, Chicago Heights and all territory east of the Chicago and Eastern Illinois railroad; zone 2 embracing the balance of the county.

Rates in Zone 1 for plates less than 50 square feet, will be figured upon a discount of 20 percent; lights of 50 square feet or more receiving a 15 percent discount. In Zone 2 the discounts will be 55 percent and 45 percent, respectively.

The destruction of plate glass fronts in Chicago for many months, much of

it freely charged to a "racket," and bad competitive conditions led to organization of the bureau there in June. A company committee headed by George Wilkinson, of the Commercial Casualty of Newark, was named to cooperate with Chicago managers and general agents who proposed the bureau. J. A. Lawler is secretary and administrative officer. Membership in the body includes virtually all companies writing plate glass in the territory.

The changes are credited largely to the work of H. S. Slipner, assistant manager Bankers Indemnity; L. A. Kraft, secretary New Century Casualty, and J. W. Johnson, of W. A. Alexander & Co., representing the Fidelity & Casualty, members Chicago rating committee.

Within the past few months plate glass rate revisions were also enforced in Cleveland, O., Tampa and St. Petersburg, Fla., and throughout Arizona.

More recently, and likewise as a result of adverse loss experience, rates for coverage on private passenger automobiles in Mississippi, Louisiana and Arkansas, were fixed at \$6.25 for open cars and \$12.50 for closed machines. All changes noted above were based on the combined experience of company members of the National bureau and those subscribing to the Moore rating service of New York.

The New Amsterdam Casualty has just signed up with the Chicago Bureau.

New Occupational Disease Plan Out

(CONTINUED FROM PAGE 23)

such as these it is stated no extra premium charge can be made.

The program recommended is divided to meet the various requirements of the several state compensation laws as respects occupational diseases. There are modifications, for instance, in states where occupational disease coverage is provided by the state compensation act or by court interpretations. In states where occupational disease coverage is not provided by the state compensation act, or by court interpretations, there are new schedules, and in those states

where the occupational disease coverage is provided by the state compensation act, there are other modifications. In each of these there is some slight variation to meet the existing situation.

Filings for regulated states will follow the usual course and await decision to be made after hearings before the supervisory authorities.

In the new Michigan filing the companies do not ask for a graduation in rates by size of risk because of the recent decision of the Michigan anti-discrimination commission. This does not mean that the stock companies have abandoned the idea but they feel the need for increased rates in Michigan is too imperative to permit withholding their introduction pending the pursuance of legal proceedings to test the validity of the anti-discrimination commission's decision.

In justifying the application for the new compensation rates, the National Bureau of Casualty & Surety Underwriters stated that every penny of the increase is needed by stock casualty companies to meet their expected losses and expenses. "As will be shown in subsequent statements," the memorandum says, "there is more danger that the increase will prove to be insufficient than there is that it will prove to be excessive." A loss ratio exhibit accompanies the statement, tending to prove that the increase asked for is conservative.

Convert Many Old A. & H. Policies to Newer Forms

(CONTINUED FROM PAGE 23)

medical reimbursement form will grow to be like that with workmen's compensation, which has been growing steadily worse and which has cost the companies many millions of dollars. They point to the possibilities of malingerers, fee-splitting, and the padding of bills to which the medical rider would lend itself in unscrupulous hands, once the public and the doctors become educated to its potentialities.

They hope that a large share of these evils can be averted by extremely careful underwriting and a watchful check on claims made under the medical reimbursement provision. Some underwriters hope that the public's favorable reception of the medical rider will mean that insureds will use discretion in making claims and be unwilling to risk cancellation by gouging the companies with exorbitant claims.

Brokers Concerned Over Suit Involving Commission

(CONTINUED FROM PAGE 5)

ment on workmen's compensation between companies and general agents. The Travelers, it is understood, applies such a rule, but when it takes charge to collect premiums after the grace period it notifies the producer. The practice generally affects agents as well as brokers. Mr. Redmond states he was not notified, but instead the company notified only the assured. The Chicago Brokers Association is watching the case closely and if a decision is rendered adverse to Mr. Redmond undoubtedly will make an issue of the case and carry it to a higher court.

The other case reported in THE NATIONAL UNDERWRITER was that involving C. E. Nolan, prominent brokers' association member, and of the firm of George F. Brown & Co. of Chicago. The company made a payroll audit and notified the broker that it would collect direct but Mr. Nolan sent a notice he would expect that his commission be paid. The assured refused to recognize the company and would pay only Mr. Nolan. It was necessary to take the assured's notes, which were made direct to the company and were not endorsed by Mr. Nolan or his firm. The first note was paid in full and commission was allowed; then the assured

failed. The company refused to pay commissions on the remainder consisting of unpaid notes. A \$1,200 premium was involved.

Master Appointed to Pass on Charges Made in Petition

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commission, or \$56.25. Chapman & Co. sold their Iowa National stock to the Fire Insurance Company. There was sold to and paid for by the public about 33,000 shares. The Insurance Investment Corporation took over the Chapman contract, reimbursing Chapman for the amount paid on the subscription, amounting to par or \$25 a share. The amount involved was something over \$1,000,000.

The Fire Insurance Company of Chicago issued to the Insurance Investment Corporation 20,015 shares. It also issued to the Insurance Investment Corporation 25,020 shares but kept them in the treasury as security for the unpaid balance of the subscription on the underwriting agreement. The 45,000 shares were voted to elect the new management Nov. 18, 1929. The contention of the petitioners is that the entire issue was illegal under the laws of Illinois, which provide that stock shall only be issued when paid up.

It is alleged that on Nov. 18, 1929, the date of the change in control, the company had \$2,400,000 cash in bank. On Dec. 10, 1929, the balance sheet showed stocks, securities and cash amounting to about \$3,000,000 and accounts receivable of \$1,765,000, representing the unpaid subscriptions on stock. On Dec. 31, 1929, the capital and surplus of the Federal Reserve Life were \$350,000. On Nov. 18 the Fire Insurance Company, under the new management, invested \$1,125,000 in the securities of the company, the new management apparently buying it from itself.

On Jan. 3, 1930, an irrevocable proxy was issued to B. F. Bushman to vote the stock of the Federal Reserve, the proxy being in connection with an option to purchase the stock at \$50 the first year, \$75 the second year, \$80 the third year or \$85 the last year. Mr. Bushman held a previous option, issued in 1928, to purchase 2,000 shares at \$19.50. The capital and surplus of the Federal Reserve on Dec. 31, 1929, apparently included the \$300,000 obtained through the series of transactions, not shown as a liability.

Massey Wilson was elected a director on March 31, 1930, and on the same date was elected chairman of the board. He is still chairman. Oscar Looker was elected secretary and treasurer Nov. 18, 1929, and is still secretary. At the annual meeting in 1932 Alexander Green was elected president and B. F. Bushman treasurer.

Third School Planned

At a farewell dinner given recently for men attending the Aetna Casualty & Surety's second home office training school for casualty commission producers, Vice-president W. L. Mooney announced that a third school, also limited to commission producers, will be held early in 1933. Field Supervisor A. E. Redding, for many years instructor of the Aetna's casualty training schools for salaried field men and who has had direct supervision over the two previous schools conducted for commission producers, will be in charge.

Closes Indianapolis Branch

Superintendent of Agents Stanley Maynard of the Standard Surety & Casualty has been in Indianapolis closing out its branch office there in charge of Manager O. L. Memmert. The Standard Surety has a number of agents in Indianapolis but has no commanding office. Mr. Memmert was formerly manager of the London Guarantee & Accident in that city.

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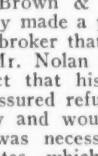
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